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ASX RELEASE

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Dragon Mountain Gold Signs Heads of Agreements for Cawse and Avalon Gold Rights

The HOA's represent a modest cost, high potential gold opportunity for Dragon Mountain in tenements that have not been subject to modern exploration for gold since the 1980's. Numerous anomalous historical drill holes, shafts and open cut production highlight the gold potential of the tenements.

Dragon Mountain Gold Limited (ASX:DMG) is pleased to announce it has signed Heads of Agreements ("HOA") for the gold and other mineral rights, excluding nickel and cobalt ("gold rights"), covering the Cawse and Avalon tenement packages (see Annexure A and Annexure B) from Wingstar Investments Pty Ltd ("Wingstar"). Wingstar is a company associated with Dragon Mountain's chairman Robert Gardner.

The Cawse and Avalon tenement packages comprise a total of 23 granted mining leases of which 19 are 100% owned by Wingstar Investments Pty Ltd and the other 4 mining leases, with 80% equity interest, at Cawse Extended. The total area of the leases is 15,807 hectares. The tenements have been held primarily for nickel laterite exploration since the 1970's and more recently by the Cawse and Avalon nickel laterite operations. Since the 1970's there has been little or no systematic exploration for gold except for a small open cut mine at Cawse operated by Newcrest Mining in 1991.

In the historical records there are multiple gold occurrences at the contacts of the ultramafics that host the nickel laterite.

Cawse Tenements

On the Cawse tenements (Figure 2 in Annexure B) gold has been produced from a small trial pit at the Cawse Find prospect on M24/224. Newcrest reported a total of 23,000 tonnes of ore produced and milled at its then Ora Banda processing plant. Of this ore 10,500 tonnes was reported mined at a grade of 4.55 g/t gold with no records of the grade of the remaining ore treated. The trial pit was mined to a depth of 35 metres over a length of 100 metres.

Gold was sourced from quartz veining, striking 060 to 090 degrees and dipping north at 30 to 60 degrees, with associated pyrite alteration in a late stage monzogranite in contact with the footwall contact of the Walter Williams Formation, a thick ultramafic rock unit.

Drilling prior to Newcrest by King Mining and Majestic Resources tested the Cawse Find structure to approximately 70 metres below ground level in drill hole BCRC 118 with 4 metres at 1.82 g/t gold from 79 metres down hole.

Centaur Mining, as operators of the Cawse Nickel plant, drilled the ultramafic - monzogranite contact to the north and south of the Cawse Find pit. Anomalous gold was intersected in both locations. Results included 10 metres at 3.9 g/t gold from 46 metres in CWC 1830, 6 metres at 5.7 g/t gold from 96 metres in CWC 1922 and 14 metres at 2.02 g/t gold from 82 metres in CWC1940.

These holes are located some 400 metres north of the Cawse Find pit and test the granite - ultramafic contact rather than the east west quartz veins as mined at Cawse Find (see Figure 1).

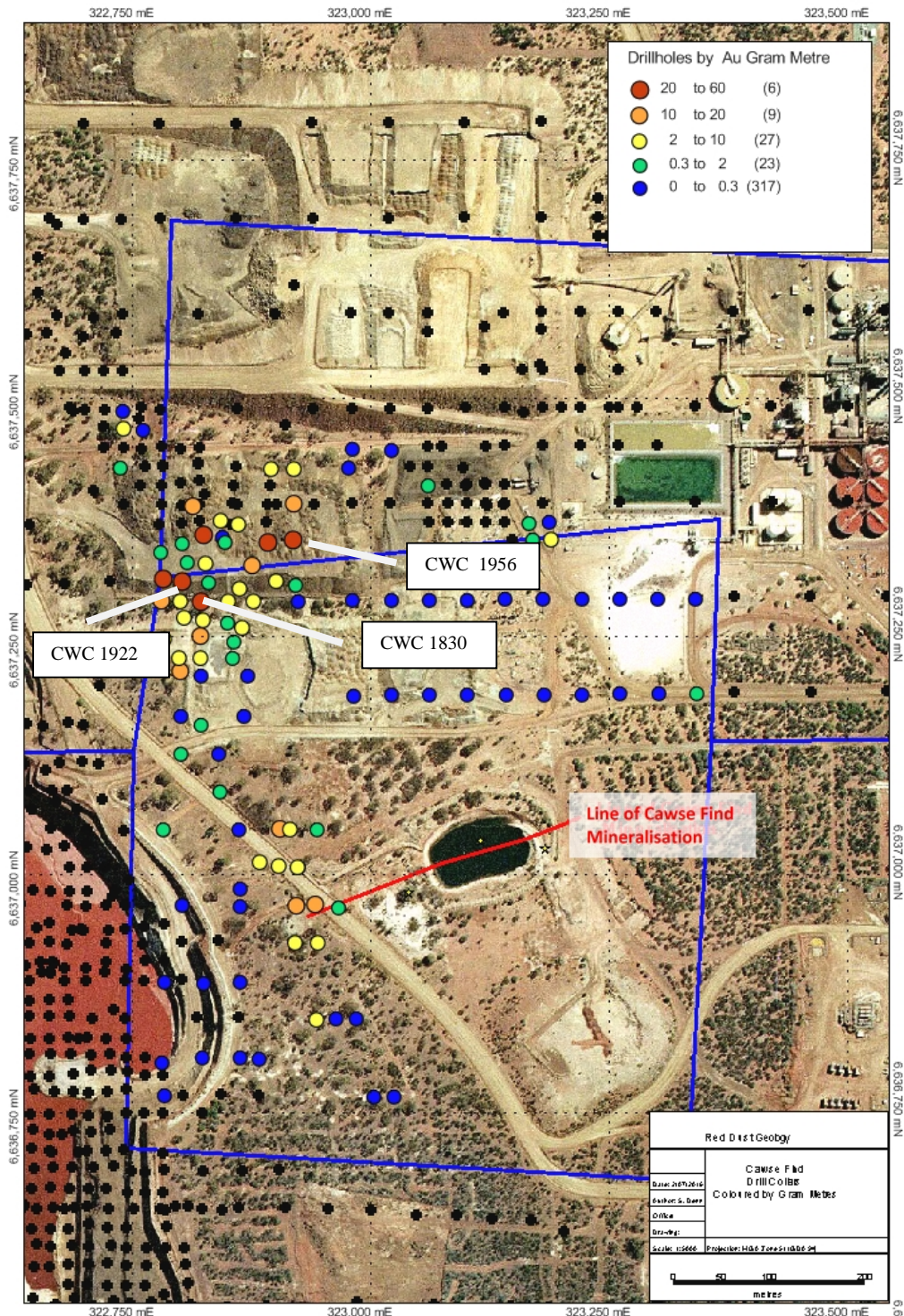


Figure 1: Cawse Find - Centaur Mining historical drilling and gold results on M24/224 and M24/389

Anomalous gold results from the historical drilling by Centaur Mining at Cawse Find are shown in figure 1 and tabulated in Annexure C. The Majestic /King mining drilling is not included due to doubts of the hole co ordinates (historic local grid data available only at this stage).

The abandoned gold workings at Wellington, 7 kilometres to the south of the Cawse nickel plant has a similar style of mineralisation as seen at Cawse Find. The gold mineralisation is associated with quartz and pyrite seen with shearing along the ultramafic - granite contact. The workings at Wellington generally straddle the contact and occur over a length of approximately 1,800 metres.

The main target for exploration within the Cawse tenements will be the approximately 20km of ultramafic / granite contact. Initially five locations along the ultramafic / granite contact have been identified as anomalous for gold from historical geochemical sampling, drill holes and workings. These include the Cawse Find and Wellington areas as discussed above. Importantly large areas that may be prospective have not been drilled, or if they have been drilled have not been assayed for gold. A substantial quantity of drilling pulps are available on site at Cawse and can be re-assayed for gold.

Additional targets may occur within the ultramafic unit where aeromagnetic data indicates discrete magnetic anomalism, possibly related to magnetite destruction from alteration associated with gold bearing fluids along fault structures.

Avalon Tenements

On the Avalon tenements (Figure 3, Annexure B) the most prospective areas are on the western side of the tenement package with known historical gold mineralisation. The primary targets are on the approximately 18km of contacts between the ultramafics and mafic and sedimentary rocks. Targets extend from the south with mineralisation within the tenement holdings at Golden Celt, Troyton, Green Harp Extended, Bulls Eye and Night and Day northwards to Patch Dam, Anomaly 38 and the Unknown mines outside the western boundary of the tenements at the northern end of the leases.

Both alluvial and bedrock gold mineralisation is known from the larger Bulong area from which some 2,500 kg of gold has been produced. Mineralisation occurs in quartz veins and veined brittle-ductile sheared contacts between metamorphosed felsic volcanoclastic rocks and intensely carbonated ultramafic rocks. At Bulong, there are two main sub-parallel lines of workings. Most gold production was from the eastern of these two lines, which contains the Queen Margaret mine (2,200 kg Au). Mine development is almost continuous for about 1,500 m on a north-trending shear zone. The eastern line of workings which trend onto the Avalon leases appears to be controlled by several shorter, en-echelon shear zones, which produced more than 250 kg Au, principally from the Great Oversight and Green Harp groups of mines. The Great Oversight group, to the south, lies on the eastern and western contacts of a thin metamorphosed felsic volcanoclastic unit within carbonated ultramafic rock. The Green Harp workings are also on the contact between carbonated ultramafic rock and felsic schist. Workings are scattered for several kilometres to the north of the Green Harp group.

Heads of Agreement Details

Dragon Mountain has entered into the HOA's with Wingstar for the Cawse and Avalon tenement gold rights with the intention of progressing to a formal joint venture subject to the completion of the initial work programme to be conducted by Dragon Mountain.

Prior to the negotiation of the formal joint venture agreement Dragon Mountain will spend a minimum of \$50,000 on each of the Cawse and Avalon tenement packages within 9 months. Following this expenditure Dragon Mountain has the right to form a joint venture or withdraw.

Following the signing of the joint venture agreement Dragon Mountain will spend an additional \$150,000 on each of the Cawse and Avalon tenement packages within 12 months to earn a 25% interest in the Cawse and Avalon tenements.

On earning its 25% interest Dragon Mountain can elect to spend an additional \$250,000 on each of the Cawse and Avalon tenement packages within 12 months to earn an additional 26% interest in the Cawse and Avalon tenements.

Once Dragon Mountain has earned its 51% interest, Wingstar has the right to elect to fund its 49% interest. Should it not elect to do so, Dragon Mountain has the right to sole fund an additional \$300,000 on each of the Cawse and Avalon tenement packages within 15 months of earning its 51% interest. Should Dragon Mountain earn an 80% interest then Wingstar's interest would be free carried through to the completion of a pre-feasibility study or \$4 million cumulative expenditure on each of the Cawse and Avalon tenement packages, whichever occurs first.

Subsequent to the completion of a pre-feasibility study or \$4 million cumulative expenditure both parties will fund the joint venture pro-rata.

If either party is diluted to less than a 10% interest, that interest will be converted to a 1% mine gate revenue royalty.

Dragon Mountain has pre-emptive rights covering a sale or disposal by Wingstar of only its interest in the gold rights JV.

Should Wingstar sell its nickel & cobalt rights and the purchaser wishes to also acquire the gold rights, then Dragon Mountain would be paid five times its expenditure or its earned interest in the project NPV after the commencement of a pre-feasibility study plus five times its expenditure outside the study area for these rights.

Dragon Mountain has entered into an HOA with Wingstar's subsidiary Mesmeric Enterprises, which has an 80% interest in the existing Cawse Extended JV, giving it the right to negotiate a binding HOA for 6 months with either Mesmeric or the existing joint venture on substantially the same terms as the Cawse and Avalon HOA's.

Robert Gardner
Executive Chairman

The review of historical exploration and gold occurrences in this report is based on information compiled by Mr Stephen Denn, a Competent Person, who is a member of AusIMM. Mr Denn is the Principal of Red Dust Geology Pty Ltd, an independent consulting company. Mr Denn has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration 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, Mineral Resources and Ore Reserves (the JORC Code).

Mr Denn has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Cawse

Tenement	Holder	Area (Ha)	Expiry
M24/224	Wingstar Investments Pty Ltd	38.56	29-May-30
M24/389	Wingstar Investments Pty Ltd	39.96	14-Oct-33
M24/517	Wingstar Investments Pty Ltd	818.25	02-Jan-18
M24/518	Wingstar Investments Pty Ltd	855.80	02-Oct-18
M24/519	Wingstar Investments Pty Ltd	936.25	02-Jan-18
M24/520	Wingstar Investments Pty Ltd	427.30	02-Jan-18
M24/543	Wingstar Investments Pty Ltd	859.95	02-Jan-18
M24/544	Wingstar Investments Pty Ltd	703.30	02-Jan-18
M24/573	Wingstar Investments Pty Ltd	160,00	27-Jul-30
M24/577	Wingstar Investments Pty Ltd	893.00	18-Feb-19
M24/578	Wingstar Investments Pty Ltd	934.00	18-Feb-19
M24/579	Wingstar Investments Pty Ltd	158.00	10-Sep-30
M24/619	Wingstar Investments Pty Ltd	989.00	27-Jul-30
M24/802	Wingstar Investments Pty Ltd	237.00	29-Aug-33
Total		8,050.37	

Cawse Extended

Tenement	Holder	Area (Ha)	Expiry
M24/547	Mesmeric Enterprises Pty Ltd 80%, Enigma Mining 20% JV	690.00	02-Oct-18
M24/548	Mesmeric Enterprises Pty Ltd 80%, Enigma Mining 20% JV	994.00	02-Oct-18
M24/549	Mesmeric Enterprises Pty Ltd 80%, Enigma Mining 20% JV	970.00	13-Apr-24
M24/550	Mesmeric Enterprises Pty Ltd 80%, Enigma Mining 20% JV	767.00	13-Apr-24
Total		3,421.00	

Avalon

Tenement	Holder	Area (Ha)	Expiry
M25/75	Wingstar Investments Pty Ltd	641.50	27-Mar-32
M25/76	Wingstar Investments Pty Ltd	978.75	27-Mar-32
M25/77	Wingstar Investments Pty Ltd	991.80	27-Mar-32
M25/78	Wingstar Investments Pty Ltd	999.35	27-Mar-32
M27/189	Wingstar Investments Pty Ltd	725.20	15-Dec-15
Total		4,336.60	

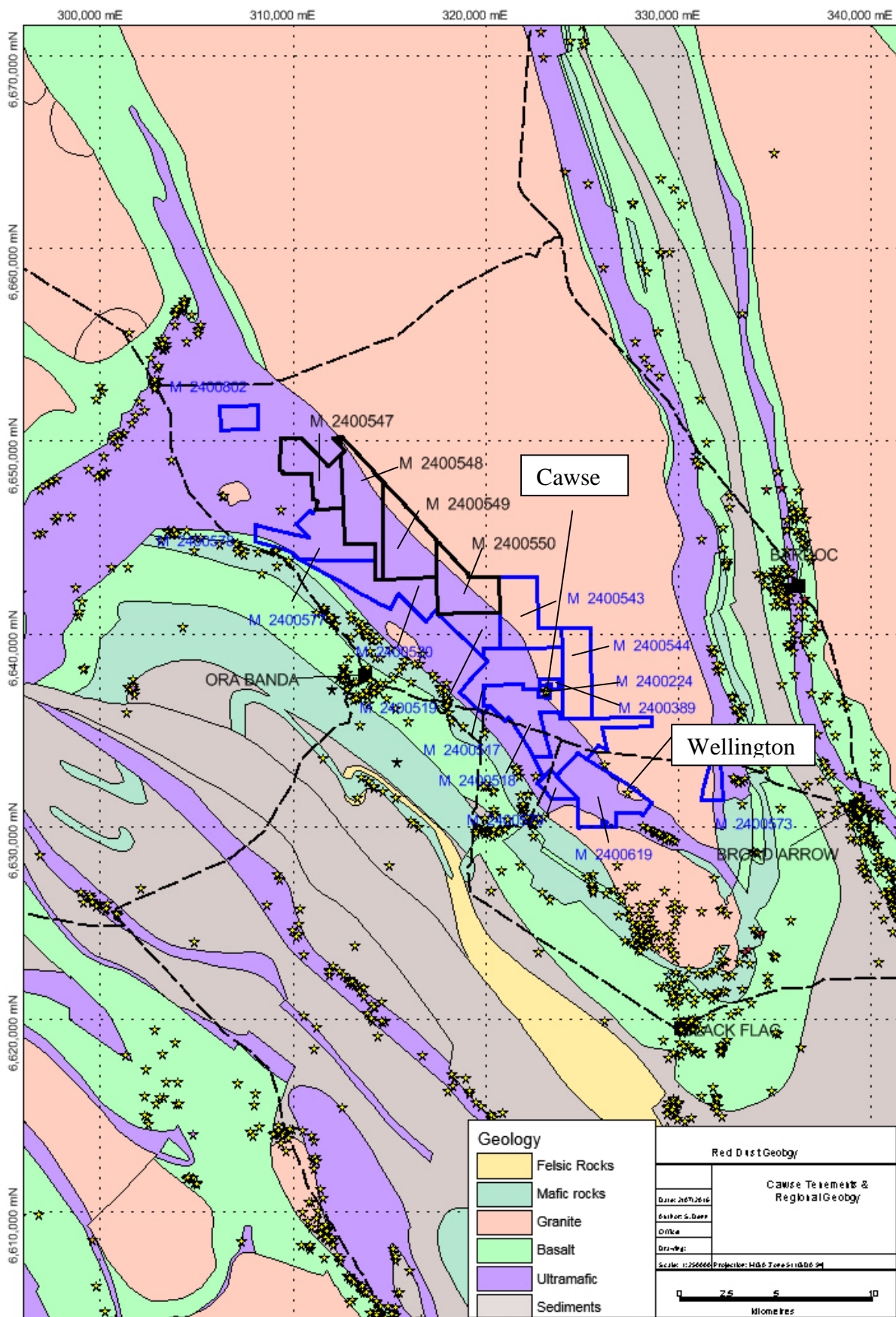


Figure 2: Cawse Tenements (Blue), Cawse Extended (Black) and historical gold locations (Stars) over GSWA solid geology interpretation

Avalon

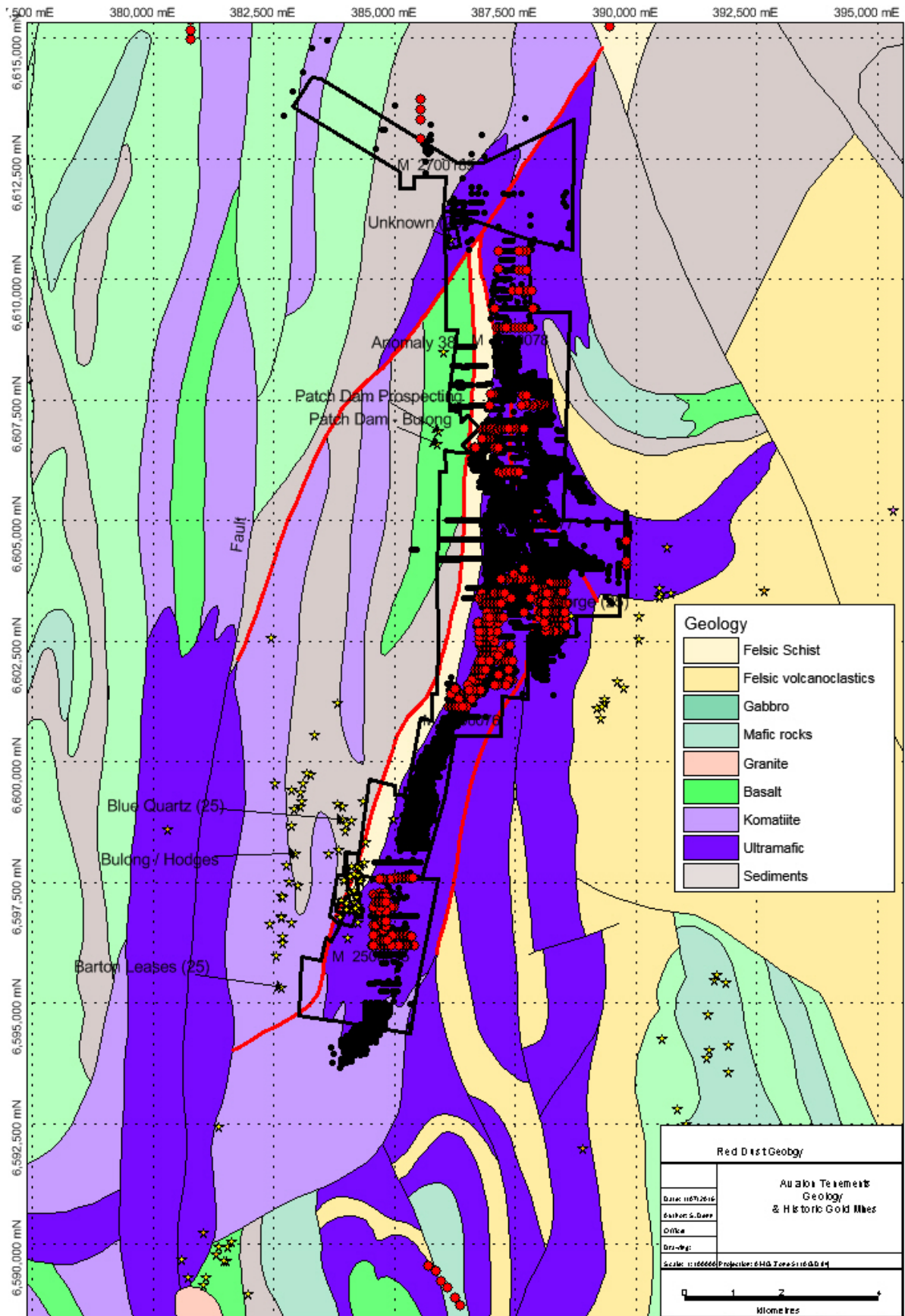


Figure 3: Avalon Tenements and historical drilling (drill holes with gold assays in red) and gold occurrences (Stars) over GSWA solid geology interpretation, target structures/contacts shown with the red structure line

Cause – Historical Drilling Gold Results

Annexure C

HOLE ID	East	North	RL	Depth (m)	Dip	Azi	Max Au in Hole (g/t)	Depth From (m)	Downhole Interval (m)	Average grade (min>0.3) (g/t)	Gram metres	Comment
CWC01830	322684	6637131	416	81	-60	90	5.6	40	30	1.9	57.3	
CWC01922	322644	6637154	416	111	-60	90	11.4	96	10	3.8	37.8	
CWC01956	322781	6637195	417	99			15.0	24	8	4.6	37.0	Includes 2m at 15g/t, additional zone 4m at 0.92g/t from 48 m
CWC01774	322686	6637201	416	75	-60	90	4.5	28	24	1.4	34.3	
CWC01940	322664	6637151	416	99	-60	90	4.5	82	14	2.0	28.3	
CWC01885	322755	6637192	419	96	-60	180	1.8	36	30	0.7	21.9	
CWC01925	322676	6637229	416	99			4.0	78	16	1.1	17.9	Not all intervals assayed for Au
CWC01831	322684	6637094	416	117	-60	90	1.5	62	38	0.4	15.2	
CWC01936	322785	6636810	419	90	-60	90	1.9	42	28	0.5	14.0	
CWC01935	322804	6636811	419	70	-60	90	1.9	52	18	0.7	13.3	EOH
CWC01837	322663	6637057	416	78	-60	90	3.0	56	14	0.9	12.6	
CWC01942	322783	6637232	417	99			2.3	56	14	0.9	12.6	Additional zone 8 metres at 0.9 from 86m, not all intervals assayed
CWC01826	322739	6637167	416	99	-60	180	1.8	30	14	0.8	11.2	
CWC01918	322643	6637131	416	110	-60	90	3.0	86	6	1.8	11.0	
CWC01932	322768	6636891	418	90	-60	90	2.7	46	10	1.0	10.3	
CWC01864	322747	6636857	418	96	-60	90	2.7	82	12	0.8	10.0	
CWC01862	322767	6636853	417	72	-60	90	2.0	54	18	0.5	9.4	EOH
CWC01933	322786	6636851	417	70	-60	90	4.3	50	4	2.3	9.3	
CWC01923	322705	6637215	418	85			1.7	48	8	1.1	9.0	Not all intervals assayed for Au, hole ends in grade, 5m at 0.6g/t
CWC01926	322725	6637144	416	90	-60	90	2.0	56	6	1.5	8.9	
CWC01824	322690	6637171	416	93	-60	90	1.3	72	12	0.7	7.9	
CWC01931	322779	6636891	418	90	-60	90	2.1	40	12	0.6	7.3	
CWC01943	322758	6637269	417	99			1.5	86	8	0.9	7.3	Not all intervals assayed for Au
CWC01858	322662	6637071	416	90	-60	90	1.5	46	16	0.5	7.2	
CWC01827	322740	6637131	416	88	-60	90	1.3	10	10	0.7	7.2	
CWC01871	322664	6637131	416	108	-60	90	1.9	16	8	0.9	6.9	Also 12 m @ 0.5 from 70
CWC01951	322604	6637312	416	99			1.3	46	10	0.6	6.1	Not all intervals assayed for Au
CWC01965	322667	6637113	416	120	-60	90	1.9	34	6	1.0	5.9	Also 20m at 0.43 from 58m
CWC01920	322686	6637111	416	90	-60	90	0.7	58	10	0.6	5.8	
CWC01860	322807	6636771	419	66	-60	90	0.6	48	16	0.4	5.6	
CWC01867	322805	6636692	422	96	-60	90	0.9	0	8	0.6	4.7	
CWC01919	322646	6637091	416	120	-60	90	0.8	78	8	0.5	4.0	Also from 116 , 4m at 0.35 EOH
CWC01828	322714	6637131	416	69	-60	90	0.8	30	8	0.5	4.0	
CWC01861	322783	6636771	417	96	-60	90	1.2	38	4	1.0	3.8	Also 8m @ 0.7g/t from 80
CWC01958	322763	6637151	416	99	-60	180	1.2	36	6	0.6	3.7	
CWC02389	324119	6635542	419	50	-90	0	1.6	20	2	1.6	3.3	
CWC01924	322724	6637212	418	96			0.9	66	4	0.8	3.2	Not all intervals assayed for Au, hole ends in grade,2m at 0.23g/t

HOLE ID	East	North	RL	Depth (m)	Dip	Azi	Max Au in Hole (g/t)	Depth From (m)	Downhole Interval (m)	Average grade (min>0.3) (g/t)	Gram metres	Comment
CWC01928	322728	6637102	416	90	-60	90	0.5	26	8	0.4	2.9	
CWC01859	322685	6637071	416	78	-60	90	0.8	20	6	0.4	2.4	
CWC01948	323052	6637195	418	30			0.6	22	6	0.4	2.2	Not all intervals assayed for Au
CWC01941	322782	6637270	418	99			1.1	74	2	1.1	2.1	Not all intervals assayed for Au, hole ends in grade, 9m at 0.41g/t
CWC02254	324663	6634099	415	50	-90	0	1.0	8	2	1.0	2.0	

Notes:

- *Where no azimuth or dips are detailed the data is still to be ascertained from historical data. (The dip is believed to be -60° and azimuth 090°, but requires confirmation)*
- *All intervals quoted are downhole intervals and do not represent the true width of the intersection as the orebody geometry is unknown at this time*
- *Co ordinates in the table are in their original surveyed grid (AMG 84-51)*

The following Tables are provided in compliance with the JORC code (2012 edition) as a requirement for the reporting of exploration results, current and historical.

Section 1 Sampling Techniques and Data

No new data is being presented, all results are from historical data and are referenced in section 2.

Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenements and land tenure Status	Type, reference name/number, location and ownership agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Cawse and Avalon project groups comprise 23 granted mining leases as per annexure A. Ownership is 100% Wingstar Investments Pty Ltd apart from the Cawse Extended leases which are in a JV with 80% Wingstar and 20% Enigma. Royalties exist on leases M24/389 and M24/224 to third parties. On M24/389 a royalty of 1% payable on all treated gold (and nickel) (the Dalla Costa Royalty), and the Bunyip Dam Royalty on M24/224 requires payment of \$150,000 when gold recovered exceeds 10,000 troy ounces and a further \$500,000 if the total gold recovered exceeds 20,000 troy ounces.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area	All tenements are in good standing at the time of this report, and there is no known impediments to undertake exploration activities if the HOA progresses to a JV.
Exploration Done By Other Parties	Acknowledgement and appraisal of exploration by other parties	The tenements have undergone extensive exploration and mining activity for lateritic nickel. At Cawse and Cawse Extended there is approximately 8700 drill holes mostly RC , with limited DD and RAB. Most holes were not assayed for gold. At this stage 383 drill holes have been reported with gold analysis undertaken. There is believed to be a small number of additional holes with gold assays that are not currently recorded in the database supplied by Norilsk Nickel to Wingstar . There is a further approximately 100 holes drilled by King Mining and Majestic Resources at the Cawse Find pit with gold assays. This data has been viewed but is not available for use due to issues on local grid co ordinates. There is available geophysical data for aeromagnetic and EM surveys. At Avalon there is approximately 7600 drill holes in the database with only 518 holes with gold assays, and most of these are incompletely assayed. No anomalous results greater than 0.1g/t Au are recorded, however there is no drilling testing the interpreted gold targets.
Geology	Deposit Type, geological setting and style of mineralisation	The Cawse and Cawse Extended cover a portion of the Siberia/Ora Banda Greenstone sequence on the western limb of the Goongarrie - Mt Pleasant Anticline in the Ora Banda domain of the Kalgoorlie Terrane. The tenements cover the main host rock to the nickel laterite mineralisation at Cawse the Walter Williams Formation (WWF), and the basal unit of the Linger and Die Group within the Ora Banda Domain. The lower tholeiitic and high-Mg basalts

Criteria	JORC Code Explanation	Commentary
		<p>of the Pole Group are mostly absent from the stratigraphic sequence in the Cawse region, with the adjacent granitoid abutting the WWF. The Pole Group and the sequence above the Linger and Die Group are the main hosts for gold mineralisation in the Ora Banda-Siberia region.</p> <p>At Avalon the Bulong Complex is a steeply dipping ultramafic complex comprised of gabbros, norites, dunite and peridotite. The complex consist of a large number of metamorphosed sills which individually tend to be layered and mainly comprised of serpentinised olivine-rich cumulates with thin pyroxenite and norite caps. The sills were intruded into a sequence of mafic volcanic and sedimentary rocks. The sequence of greenstones are dissected by numerous north-trending faults, some of which originated as D1 structures, although they were almost certainly active during the later (D3 and D4) stages of regional deformation, probably as splays off the Kanowna Fault.</p> <p>Gold mineralisation at Bulong and Ora Banda/Cawse are typical of Archean lode style gold deposits relating to hydrothermal activity during multiple deformation events.</p>
Drill Hole Information	<p>A summary of all information material to the understanding of the exploration results including the tabulation of the following information for all material drill holes</p> <ul style="list-style-type: none"> • Easting and Northing of the drill hole collar • Elevation or RL (Reduced Level) -elevation of the collar above sea level in metres • Azimuth and Dip of the hole • Down hole Length and intercept depths • Hole depth 	Refer to Annexure C in the text
Data Aggregation Methods	<p>In reporting Exploration results , the weighting averaging techniques, maximum and /or minimum grade truncations (e.g. cutting of high grades) and cut off grades used in the reporting of drill results</p> <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results , the procedure used for such aggregation should be stated and some typical examples of such aggregation should be shown in detail</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated</p>	<p>All reported assays have been length weighted, a nominal 0.3g/t Au lower cut off is used to report drill intersections.</p> <p>High grade gold intervals internal to broader zones of mineralisation are reported as included intervals. No high grade cuts have been used.</p> <p>No metal equivalent values are used for reporting exploration results</p>
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of exploration results. If the geometry of the mineralisation with respect to the drill hole angle is known, its	The bedrock orientation of mineralisation at Cawse Find is discussed in the text. Due to the two known orientations identified to date and the lack of any 3D geological modelling, drill hole intersections are quoted as down hole lengths

Criteria	JORC Code Explanation	Commentary
	nature should be reported. If it is not known and only the down hole lengths are reported there should be a clear statement to this effect (e.g. down hole length, true width not known)	until a firmer understanding of the mineralisation geometry is known.
Diagram	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include but not be limited to a plan view of the drill hole collar locations and appropriate sectional views.	Refer to Annexure B and Figures in Text
Balanced reporting	Where comprehensive reporting of all exploration results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of exploration results	The accompanying document is considered to represent a balanced report with grades and /or widths reported in a consistent manner
Other substantive Exploration Data	Other exploration data ,if meaningful and material should be reported including (but not limited to) : geological observations, geophysical survey results, geochemical survey results, bulk samples-size and method of treatment; metallurgical test results; bulk density; groundwater, geotechnical and rock characteristics, potential deleterious or contaminating substances	No other exploration data collected to date is considered material or meaningful at this stage.
Further Work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large scale step out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	As described in the text, data compilation and assessment will be undertaken to complete the first pass of the HOA. If a JV is then formed ongoing exploration programs will be undertaken.