



Tabac Cobalt Project

Significant drill defined cobalt-gold exploration target

Disclaimer



For Consideration

This presentation has been prepared by Dragon Energy Ltd "Dragon". This document contains background information about Dragon current at the date of this presentation. The presentation is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this presentation.

This presentation is for information purposes only. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sales of shares in any jurisdiction.

This presentation does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities involve risks which include (among others) the risk of adverse or unanticipated market, financial or political developments.

To the fullest extent permitted by law, Dragon, its officers, employees, agents and advisors do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this presentation. No responsibility for any errors or omissions from this presentation arising out of negligence or otherwise are accepted.

This presentation may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Dragon. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law, Dragon does not undertake any obligation to update or revise any information or any of the forward looking statements in this presentation or any changes in events, conditions, or circumstances on which any such forward looking statement is based.

Competent Persons Statement

The information in this announcement that relates to Tabac Project Exploration Results is based on information compiled and fairly represented by Mr Jonathan King, who is a Member of the Australian Institute of Geoscientists and is an employee of Dragon Energy. Mr King has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

All exploration results have been previously published, please refer to the ASX Announcement, 1409/2016 "DLE Makes Strategic Cobalt Gold Acquisition"

Corporate



Value Proposition

- Due diligence and acquisition of Tabac Project being finalised
- **Funded** for stage 1 drilling of Tabac
- Recent board appointments aligned to **increasing scale of activities**
- Review process underway for non-core assets

Board of Directors

Jonathan King - Managing Director

Keong Chan - Non Executive Director & CoSec

Joel Fishlock - Non Executive Director

Gang Xu - Non Executive Director

DLE Capital Structure (post transaction)

Market Capitalisation at \$0.015/share	\$8.44M
Shares On Issue	562.8M
Options on Issue	-
Cash (approximate)	\$1M



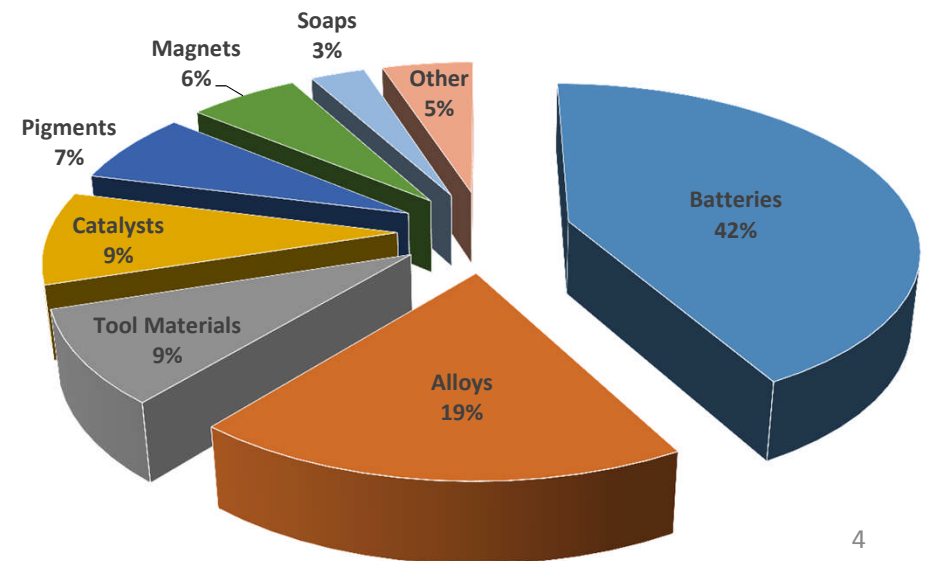
What Cobalt is used for?



- Cobalt applications range from jet turbines through to gas turbine generators and other applications demanding high temperature strength
- Recent demand has focussed towards the application within **lithium-ion batteries** where cobalt is a preferred **cathode material**

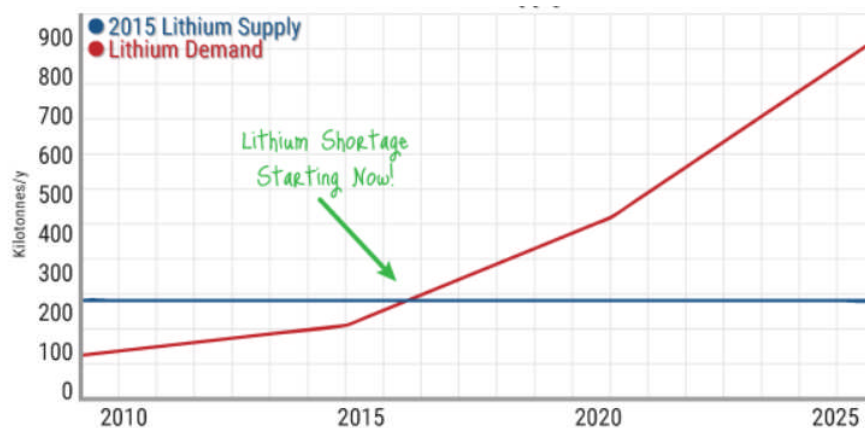


% Consumption of Cobalt

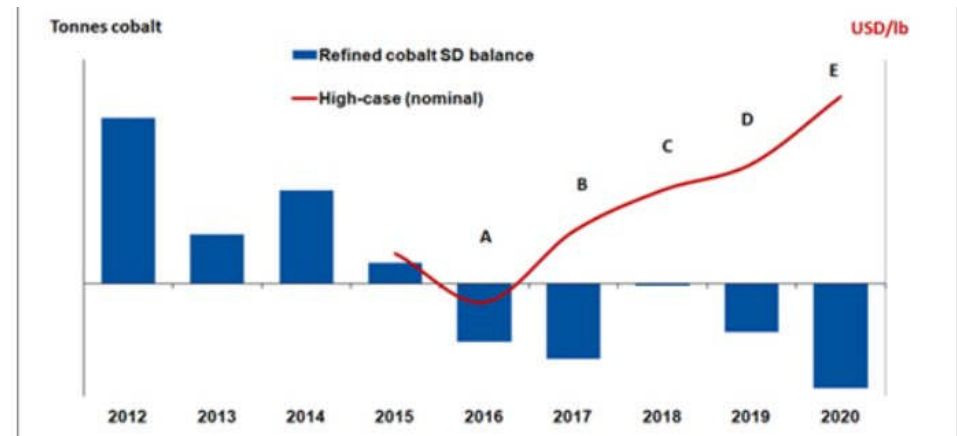


Market conditions

- Elon Musk and Warren Buffett are huge investors in lithium-ion technology
- 1.4 billion smartphones sold worldwide in 2015; 194 million laptops; and 320 million tablets.....and this without considering the impact of electric vehicle demand
- Improved battery technology required by Tech titans including Apple, Google, Samsung, Panasonic, etc
- **Cobalt production must scale to match demand**



Lithium market (Source Angel Publishing)



Cobalt market (Source CRU Group)

Current supply of Cobalt

- **94% of cobalt supply is a by-product** of nickel and copper production (non-primary producers)
 - *Suppressed nickel and copper prices have lead to decrease in cobalt production*
- **6% of cobalt supply is from primary cobalt producers**
- **65% of world's primary cobalt is produced by Democratic Republic of Congo (DRC)**
 - *Labour and environmental practices are a focus of international scrutiny*
 - *"Children as young as seven are working in perilous conditions in the DRC to mine Cobalt..." Amnesty International*



theguardian

politics sport football culture lifestyle environment economy media tech travel [browse all sections](#)

environment sustainable business cities

Children as young as seven mining cobalt used in smartphones, says Amnesty

Amnesty International says it has traced cobalt used in batteries for household brands to mines in DRC, where children work in life-threatening conditions

CBCnews | Business

Home World Canada Politics **Business** Health Arts & Entertainment Technology & Science Trending Video

Business Tax Season CBC SecureDrop

Cobalt mined with child labour used by Apple, Samsung, Sony & others, Amnesty International says

Report uncovers allegations of rampant labour violations in the supply chains of major conglomerates

CBC News Posted: Jan 19, 2016 9:25 AM ET | Last Updated: Jan 19, 2016 4:27 PM ET

MetalBulletin.com - June 27, 2016 Excerpts from the MetalBulletin Article

Battery-conscious hedge funds buy cobalt metal, look for more

Hedge funds and other private investors have bought cobalt metal in anticipation of higher prices as a result of expected stronger demand for batteries for electric vehicles, which contain cobalt, physical traders told Metal Bulletin this week.

Cobalt and Conflict Minerals - 3TG and C?

By **Dynda A. Thomas** on January 25, 2016

POSTED IN CONFLICT MINERAL COMPLIANCE, ETHICAL SOURCING, NEWS AND ANALYSIS

Companies and industry groups have been working for over 3 years on investigation and due diligence processes to determine the source and chain of custody of the tin,

Tabac Cobalt-Gold Project



Tenure

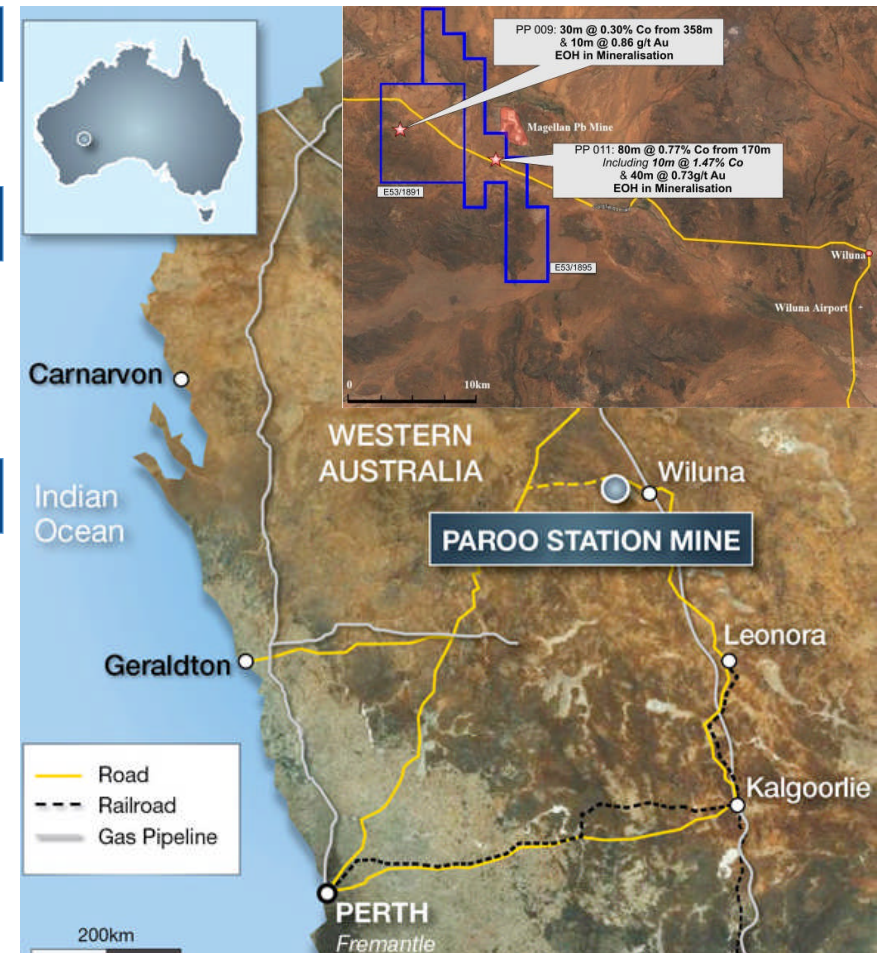
- 111.5km² comprised of two contiguous EL applications

Location / Access

- 30km east of Wiluna
- Goldfields Highway bisects tenure
- Adjacent to Rosslyn Hill's Paroo Station Mine (formerly Magellan Lead Mine)

Infrastructure

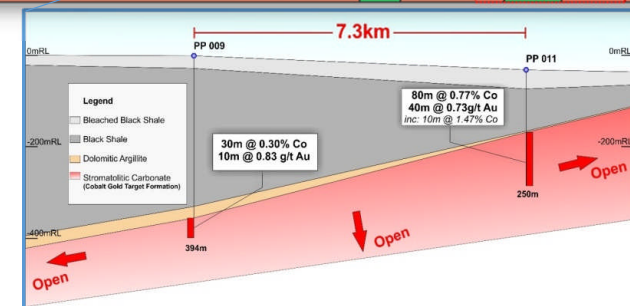
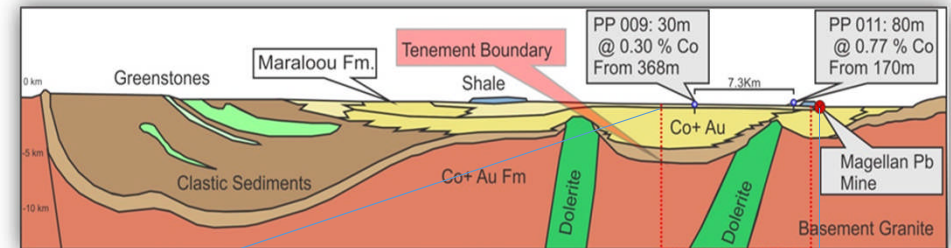
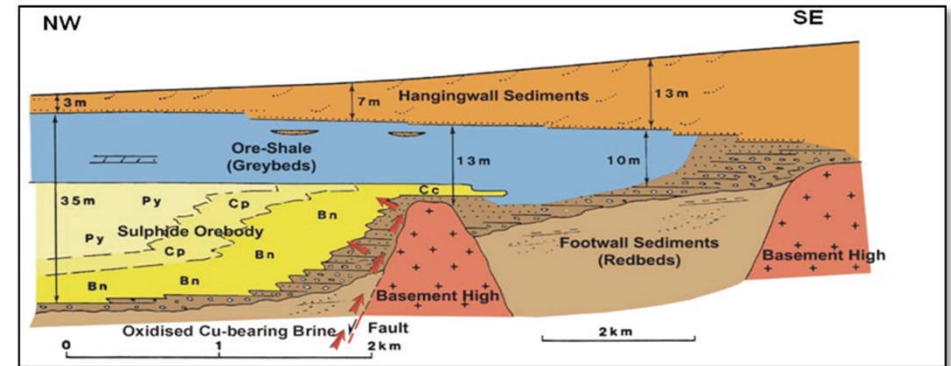
- Goldfields Gas Pipeline and associated power generation infrastructure located at adjacent Paroo Station Mine
- 30km to closest commercial airport at Wiluna
- Potential concentrate export via Geraldton Port



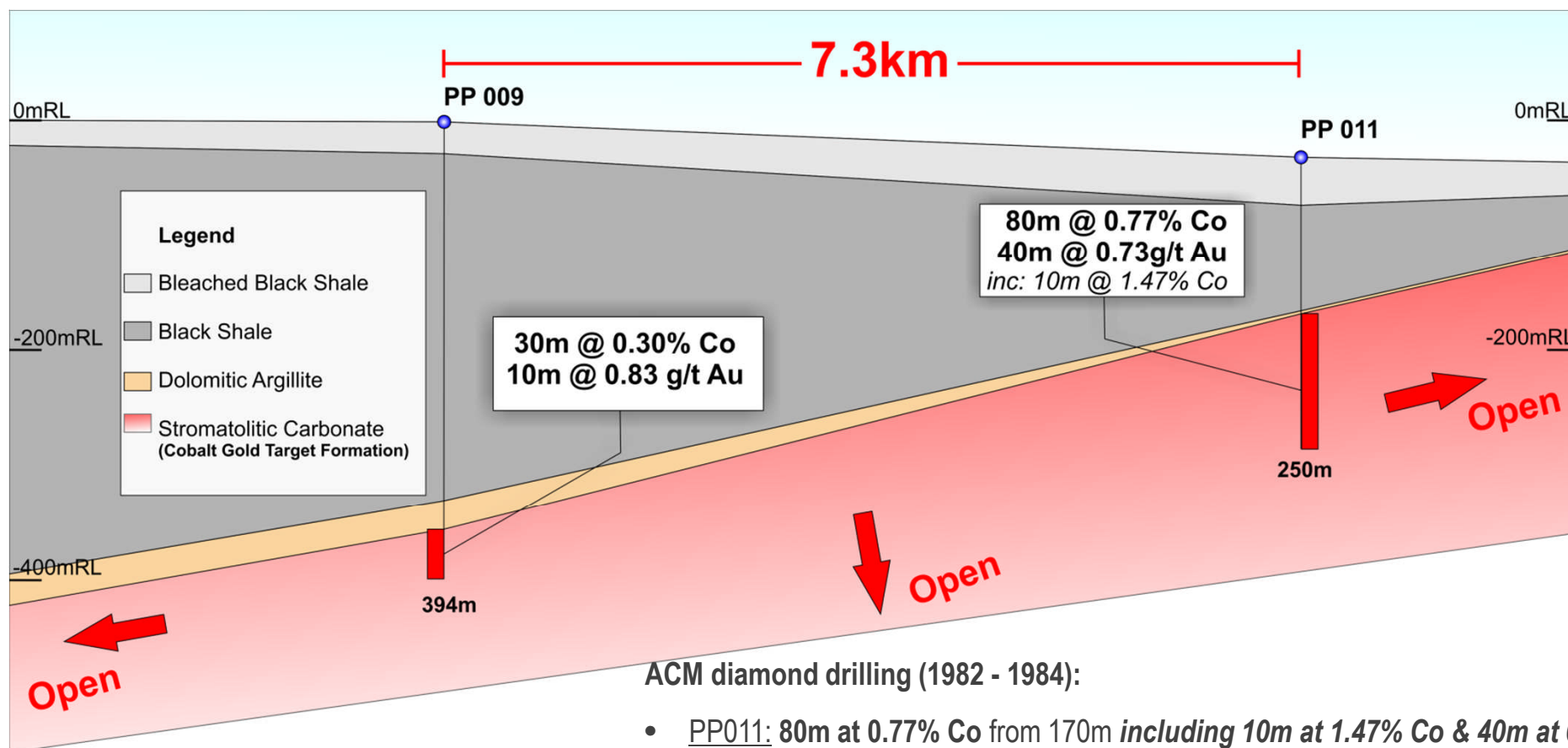
Geological setting



Feature	DRC Copper Belt	Tabac Project, WA
Stratabound Mineralisation	✓	Confirmed by drilling ✓
Basin Wide Mineralisation Occurrences	✓	Rock chip sampling and drilling confirm basin wide mineralisation ✓
Evaporitic Sequence	✓	Confirmed by drilling ✓
Dolomitization	✓	Confirmed by drilling ✓
Bacterial Reduction and/thermochemical sulphate reaction	✓	Confirmed by drilling (stromatolites) ✓
Increased secondary porosity and permeability	✓	Confirmed by drilling; fault breccia horizons host highest grade mineralisation ✓
Laterally extensive base metals mineralisation	✓	Confirmed by drilling ✓



Extensive, high grade Cobalt and Gold



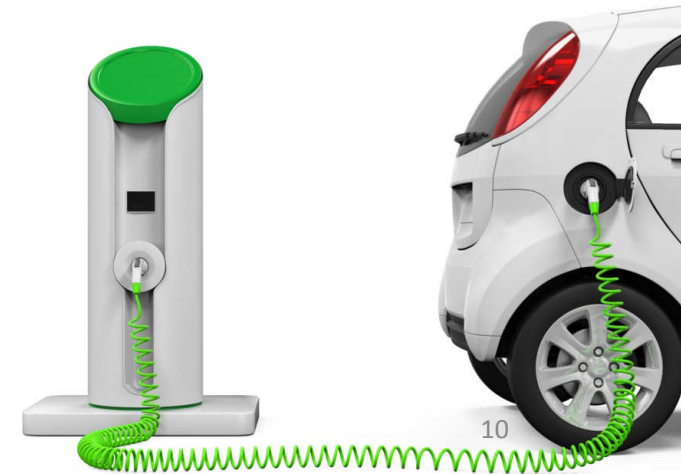
ACM diamond drilling (1982 - 1984):

- PP011: 80m at 0.77% Co from 170m including 10m at 1.47% Co & 40m at 0.73g/t Au
- PPO9: 30m at 0.3% Co & 10m at 0.86 g/t Au from 358m

Mineralisation validated by drilling



Drilling Results	Validated
• Grades lithologically constrained	✓
• Drill intercepts above mineralised intervals report results consistent with basin sediments	✓ (220ppm Co PP009, 340ppm Co PP011)
• Basin wide mineralisation occurrences in same formation	✓
• Drill testing to confirm grade and extent of mineralisation	Q1 2017



Discussion on re-assay inconsistency

- Geology
 - Basin analysis shows widespread enrichment in **cobalt at levels similar** to the tenor returned in ACM drilling
 - Supported by subsequent results collected by several companies using a variety of methods (rocks, soils, drill)
 - No other results in basin report below detection (< 5ppm Cobalt)
 - Consistent stratigraphy between both holes
 - Metal enrichment is consistent with that predicted by the geology and deposit model
- Mechanical reasons
 - Core cutting equipment unlikely to introduce gold and silver, as neither are used in blade manufacture
 - Bedrock is soft sediments, so blade wear minimal
 - Gold and silver report at or below detection in secondary sample implying error in the initial or secondary sample



DLE supports the current geological model and exploration target as there is considerable doubt in the re-assay results

Basin wide mineralisation



Rock Chips:

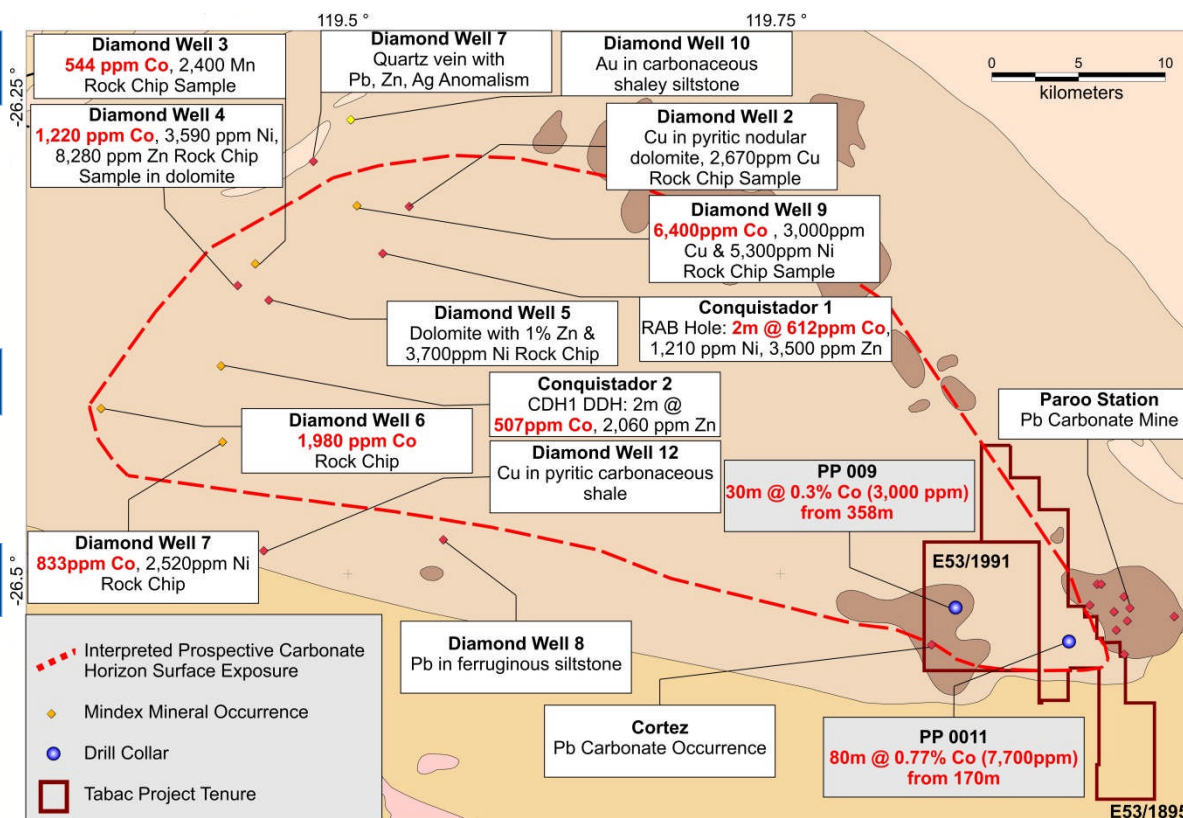
- Up to **6,400ppm (0.64%) cobalt** reported in rock chips within same formation (outside of tenure)
- **Multiple occurrences** of elevated rock chip geochemistry for **cobalt, gold, manganese, zinc**

Drilling:

- **2m at 507ppm cobalt and 2,060ppm zinc** intersected in drilling

Adjacent Deposits:

- **Paroo Station Mine** (directly adjacent to Tabac) is the **world's largest lead carbonate mine** (LeadFx, 2016)



Significant regional occurrences within prospective formation

Tabac Competitive Advantage



SUBSTANTIAL TARGET	<ul style="list-style-type: none">• Significant cobalt and gold mineralisation intersected in two diamond drill holes 7.3km.• Both holes ended in mineralisation• Target carbonate formation mapped at type locality as being 150m thick• Logged stratigraphy between holes very similar and compares favourably with genetic model used in target development• Target analogous to that of the globally significant DRC-Zambian and Zechstein Copper-Cobalt belts
GRADE & THICKNESS	<ul style="list-style-type: none">• 80m at 0.77% Co including 10m at 1.74% Co (Hole ended in mineralisation)
JURISDICTION	<ul style="list-style-type: none">• Globally significant deposits are located in regions of high sovereign risk e.g. DRC• Chain of custody represents significant supply side challengers for ethical end users• Tabac has potential for significant scale within a world class mining jurisdiction
LAND HOLDING	<ul style="list-style-type: none">• Tabac covers a total land area of 110km²

For further enquiries, please contact:

Jonathan King
Managing Director
+61 8 9322 6009
jonathan.king@dragonenergy.com.au

Dragon Energy Ltd
Suite 8, 1297 Hay St
West Perth, WA 6005

PO BOX 1968, WA 6872

