

ASX ANNOUNCEMENT

7 SEPTEMBER 2015

UPDATE ON SALE OF INTEREST IN WELD RANGE METALS LIMITED

Further to its announcement on 4 August 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").

Dragon Mining has agreed to extend the completion and end date for the Share Sale Agreement with Ausinox from 31 August 2015 to 11 September 2015.

\$750,000 of the \$1 million agreed consideration remains outstanding. Ausinox has 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 to 11 September 2015 (which equates to approximately \$132,216). Ausinox has also agreed to reimburse Dragon Mining an additional \$33,742 which represents costs incurred, over and above the purchase price, by Dragon Mining as a result of non-completion.

The Company will update on progress in due course.

For and on behalf of
Dragon Mining Limited