



## **FURTHER CLARIFICATION: PILBARA IRON PROJECT SCOPING STUDY**

**ASX Announcement**

**24 January 2012**

Dragon Energy Limited ("Dragon" or the "Company", **ASX: DLE**) refers to the results of the scoping study for its Pilbara Iron Project which were released in the morning of 20 January 2012 ("Scoping Study") and its clarifying statement in relation to the Scoping Study announcement released later that day ("Clarifying Statement").

The purpose of the Scoping Study was to assess the potential viability of the Pilbara Iron Project. However, the Scoping Study relied on an inferred mineral resource and exploration targets at the Rocklea Project and an exploration target at the Nameless Project.

At the time of releasing the announcement regarding the Scoping Study, the Company was not aware of ASX and ASIC's policy in respect of the reporting of production targets or statements implying economic viability of a project.

After being made aware of ASX and ASIC's positions on the level of geological certainty required for such disclosures, the Company released its Clarifying Statement and retracted the Scoping Study results and assumptions as announced to ASX earlier that day.

The directors believe the withdrawal of the Scoping Study announcement was a responsible action taken by the Company in order to comply with the JORC Code and the ASX Listing Rules. The Company remains focussed on advancing its Pilbara Iron Project and will continue to update the market as it achieves each of its milestones.

### **Authorised by:**

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### **About Dragon Energy**

Dragon Energy Limited ("Dragon") listed on the Australian Securities Exchange (ASX) in February 2009 (**ASX: DLE**).

Dragon's flagship projects are Rocklea and Nameless iron projects in the Pilbara with a sizeable JORC Resource defined at the Rocklea Project and significant CID exploration targets at the Nameless Project. Dragon Energy's portfolio of tenements has numerous multi-commodity targets, including Fe, Mn, Au, base metals and U in Western Australia.

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