



**DRAGON  
ENERGY**

ACN 119 992 175

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**NOTICE OF ANNUAL GENERAL MEETING  
EXPLANATORY MEMORANDUM  
PROXY FORM**

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**Date of Meeting**

Tuesday, 27 November 2012

**Time of Meeting**

10:00a.m. (WST)

**Place of Meeting**

Suite 8, 1297 Hay Street  
West Perth, Western Australia

**ANNUAL REPORT**

The 2012 Annual Report is available from the Company's website via the following link: [www.dragonenergy.com](http://www.dragonenergy.com).

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## NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Dragon Energy Ltd (**Dragon Energy** or **Company**) is to be held on Tuesday, 27 November 2012 at Suite 8, 1297 Hay Street, West Perth, Western Australia, commencing at 10:00a.m. (WST).

The Explanatory Memorandum that accompanies and forms part of this Notice describes the matters to be considered at this meeting.

### BUSINESS

#### Financial Report

To receive and consider the financial report for the year ended 30 June 2012 together with the directors' report and auditor's report.

#### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

*"To adopt the Remuneration Report for the year ended 30 June 2012."*

#### Resolution 2 – Re-election of Director – Mr Jie Chen

To consider and, if thought fit to pass, the following resolution as an **ordinary resolution**:

*"That, Mr Jie Chen, who retires by rotation in accordance with clause 13.2 of the Company's Constitution, be re-elected as a Director of the Company."*

#### Resolution 3 – Election of Director – Mr Timothy Williams

To consider and, if thought fit to pass, the following resolution as an **ordinary resolution**:

*"That Mr Timothy Williams, having been appointed as a director of the Company on 3 February 2012, who retires in accordance with clause 13.5 of the Company's Constitution and being eligible and offering himself for re-election, be elected as a director of the Company."*

**DATED THIS 29<sup>TH</sup> DAY OF OCTOBER 2012  
BY ORDER OF THE BOARD**

**Anthony Ho**  
**Company Secretary**

### IMPORTANT NOTES

1. A Shareholder who is entitled to attend and vote at a general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder.
2. A proxy form is enclosed. A separate form must be used for each proxy. An additional form can be obtained by writing to the Company at Suite 8, 1297 Hay Street, West Perth, Western Australia or by fax to (61 8) 9322 6128. Alternatively, you may photocopy the enclosed form.
3. A duly completed proxy form and (where applicable) any power of attorney or a certified copy of the power of attorney must be received by the Company at its registered office or the address or fax number set out below, not less than 48 hours before the time for commencement of the meeting. Please send by post to PO Box 1968, West Perth, Western Australia, 6872 or by fax to (61-8) 9322 6128.
4. Any corporate member who has appointed a person to act as its corporate representative at the meeting should provide that person appropriate written documentation executed in accordance with the Corporations Act evidencing that the person is authorised to act as that company's representative. Please contact the Company Secretary if you require an appointment of corporate representative form. The authority may be sent to the Company in advance of the meeting or handed in at the meeting when registering as a corporate representative.
5. For the purposes of section 1074E(2) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001*, the Company determines that members holding ordinary shares at 10:00 a.m. on Sunday 25 November 2012 will be entitled to attend and vote at the Annual General Meeting.
6. The Explanatory Memorandum attached to this Notice forms part of this Notice.

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## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Dragon Energy Ltd (**Company** or **Dragon Energy**).

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

### Financial Statements and Report

Under the Corporations Act, the Directors of the Company must table the financial report, the directors' report and the auditor's report for Dragon Energy for the year ended 30 June 2012 at the meeting.

These reports are set out in the 2012 Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the 2011 Annual Report with this Notice of Annual General Meeting. In accordance with section 314 (1AA)(c) of the Corporations Act, the Company advises the 2012 Annual Report is available from the Company's website ([www.dragonenergyltd.com](http://www.dragonenergyltd.com)).

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the financial report, the directors' report and the auditor's report.

### Resolution 1 – Adoption of Remuneration Report

Under the Corporations Act, the Company is required to include, in the Directors' Report, a detailed remuneration report setting out the prescribed information in relation to the remuneration of directors and executives of Dragon Energy and the Company's remuneration practices.

Shareholders will be given reasonable opportunity at the meeting to comment on, and ask questions about, the Remuneration Report.

The Remuneration Report is required to be submitted for adoption by a resolution of Shareholders at the meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

#### Voting prohibition statement

The Company will disregard any votes cast on Resolution 1 (in any capacity, whether as proxy or as Shareholders) by any of the following persons:

- (a) Key Management Personnel; and
- (b) Closely Related Parties of Key Management Personnel.

However, the Company need not disregard a vote if:

- i) it is cast by a person as a proxy appointed in accordance with the directions of the proxy form that specifies how the proxy is to vote on the resolution contained in Resolution 1; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above; or
- ii) it is cast by the chair of the meeting as proxy appointed in accordance with the directions of the proxy form for a person who is entitled to vote, and such appointment on the proxy form expressly authorises the chair to exercise the proxy even if the resolution is connected directly with the Remuneration Report; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above.

### Resolution 2 – Re-election of Director – Mr Jie Chen

Clause 13.2 of the Constitution requires that at every annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no Director other than the Managing Director holds office for more than 3 years, shall retire from office. A retiring Director is eligible for re-election.

Mr Chen retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Chen has over 30 years of operational and management experience in the mining industry in the People's Republic of China (**PRC**). He started his mining and management career in 1979 with a large China state-owned coal mining enterprise in the PRC. Mr Chen has been chairman of the Shandong Taishan Sunlight Group Company Limited (**Shandong Group**) since 2002. Under his leadership, the Shandong Group formed three vertically integrated businesses in coal, iron ore mining, processing and manufacturing with operations in Shandong, Guizhou, Ningxia and Xinjiang. The coal mine under his management holds a safety record of over 5,000 days with no fatality.

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### **Resolution 2 – Re-election of Director – Mr Jie Chen (continued)**

Mr Chen has a masters degree in economics and is currently working on a doctorate degree in mine engineering with the China University of Mining and Technology. He has received numerous distinguished awards at provincial and national levels for his achievements in entrepreneurship and leadership including being one of the 10 excellent entrepreneurs in Shandong Province, top 20 best mine managers in the PRC and PRC's excellent entrepreneur.

#### Board Recommendation

The Board (other than Mr Chen) recommends Shareholders vote in favour of the Resolution.

#### Voting Intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

### **Resolution 3 – Election of Director – Mr Timothy Williams**

Clause 13.5 of the Constitution states that the Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Mr Williams was most recently an associate of a corporate law firm in Adelaide, South Australia. He has spent the last five years working predominantly in the areas of resources and energy law and has advised ASX-listed companies on capital raisings, international investment, exploration and mining licensing, Corporations Act and ASX Listing Rule compliance, native title negotiations and commercial contracts.

Mr Williams holds Bachelor of Laws and Bachelor of Commerce degrees as well as a Diploma of Languages from the University of Adelaide. He has lived and studied in China and in recent years formed and led the resources and energy division of the Australia China Business Council in South Australia.

#### Board Recommendation

The Board (other than Mr Williams) recommends Shareholders vote in favour of the Resolution.

#### Voting Intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

## **DEFINITIONS**

**Annual General Meeting** means the annual general meeting the subject of this Notice.

**ASX** means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

**ASX Listing Rules** mean the official listing rules of ASX.

**Board** means the board of directors of the Company.

**Closely Related Parties** has the meaning given to that term in the Corporations Act.

**Company** and **Dragon Energy** means Dragon Energy Ltd (ACN 119 992 175).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**Director** means a Director of the Company and **Directors** means the directors of the Company.

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice.

**Key Management Personnel** has the meaning given to that term in the Australian Accounting Standards.

**Notice** means the notice of annual general meeting accompanying this Explanatory Memorandum.

**Remuneration Report** means the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2012.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a member of the Company, as defined in the Constitution of the Company.

**WST** means Western Standard Time, as observed in Perth, Western Australia.

# P R O X Y F O R M

MR SAM SAMPLE  
 UNIT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE WA 6060

## 1. Appointment of Proxy

I/We being a member/s of Dragon Energy Ltd hereby appoint

	the Chairman of the Meeting	<b>OR</b>	
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**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or, failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Dragon Energy Ltd to be held at Suite 8, 1297 Hay Street, West Perth, Western Australia at 10:00 a.m. (WST) on Tuesday, 27 November 2012 and at any adjournment of that meeting.

The Chairman of the Meeting intends to vote undirected proxies **in favour** of each item of business.

**Chairman authorised to exercise proxies on remuneration-related matters:** If I/we appoint the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Item 1 even though that item is connected directly or indirectly with the remuneration of a member of key management personnel of Dragon Energy Limited, which includes the Chairman. I/we acknowledge that if the Chairman of the Meeting is my/our proxy and I/we have not marked any of the boxes opposite Item 1, the Chairman of the Meeting intends to vote my/our proxy in favour of Item 1.

You can direct the Chairman how to vote by marking the boxes in Section 2 below (for example if you wish to vote against or abstain from voting).

## 2. Items of Business

Please mark  to indicate your voting directions.

	FOR	AGAINST	ABSTAIN
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director – Mr Jie Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Director – Mr Timothy Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority.

## 3. Signature of Securityholder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Individual/ Sole Director and Sole Company Secretary	Director	Director/ Company Secretary

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Contact Daytime Telephone

\_\_\_\_\_  
Date

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## HOW TO COMPLETE THE PROXY FORM

### 1. Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Section 1.

A proxy need not be a securityholder of the Company.

### 2. Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with your directions. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### 3. Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** If you have not previously lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by posting, delivery or facsimile to Dragon Energy Ltd:-

PO Box 1968  
West Perth, WA 6872

Suite 8, 1297 Hay Street,  
West Perth, WA 6005

Fax: (61-8) 9322 6128

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from the Company Secretary.

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