

ASX ANNOUNCEMENT

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DRAGON ENERGY FARM OUT LEE STEERE PROJECT INTEREST TO GOLDEN WEST RESOURCES

Dragon Energy Limited ("Dragon", **ASX: DLE**) is pleased to announce that the Company has entered into an agreement with Iron West Resources Pty Ltd ("Iron West"), a wholly owned subsidiary of Golden West Resources Limited ("GWR" **ASX: GWR**), to farm out up to 55% of interest in Lee Steere Project.

The Lee Steere Project is comprised of two tenements, E69/2126 and E69/2377 ("Tenements"), with iron ore rights being the subject of a joint venture agreement with Polaris Metals Pty Ltd ("Polaris") a wholly owned subsidiary of Mineral Resources Limited (**ASX Code: MIN**).

Under the terms of the farm-in agreement, Iron West can earn a 55% interest in the Tenements by spending approximately \$845,000 on exploration and making a payment of \$200,000 to Dragon in cash or shares in GWR. Iron West is obliged to spend a minimum \$350,000 on Joint Venture Expenditure within 24 months of the commencement date. After the farm-in period, Dragon will still hold 20% of Iron Ore rights and 45% rights for other minerals.

GWR already holds 1382km² of exploration ground in the Earraheedy Basin where the Tenements are located. Dragon believes GWR will be an excellent partner for the advancement of the Lee Steere Project.

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