

ASX ANNOUNCEMENT

30 May 2013

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DRAGON SECURES MINING LEASE FOR ROCKLEA

Dragon Energy Limited ("Dragon", **ASX: DLE**) is pleased to announce that it has secured mining lease M47/1471, which covers the Rocklea Central¹ and Rocklea North² deposits within its flagship Pilbara Iron Project.

The lease was granted following the execution of a Native Title Mining Agreement with the Yinhawangka Part A claimant group, which was the final condition for securing the mining lease.

The Rocklea Central and North deposits are the most advanced deposits within the Pilbara Iron Project and have an Inferred and Indicated Mineral Resource³ of 93.59Mt. Rocklea Central has an Indicated Resource of 78.94Mt @ 52.37% Fe (59.31% caFe⁴) and the combined Rocklea Central and North Inferred Resource is 14.66Mt @ 51.24% Fe (58.35% caFe). The mineralisation is located in palaeochannels and is described as a Channel Iron Deposit, which are typically found in the Pilbara region of Western Australia.

Dragon is currently progressing to a feasibility study for the Pilbara Iron Project including finalising transport options.

Gang Xu
Managing Director

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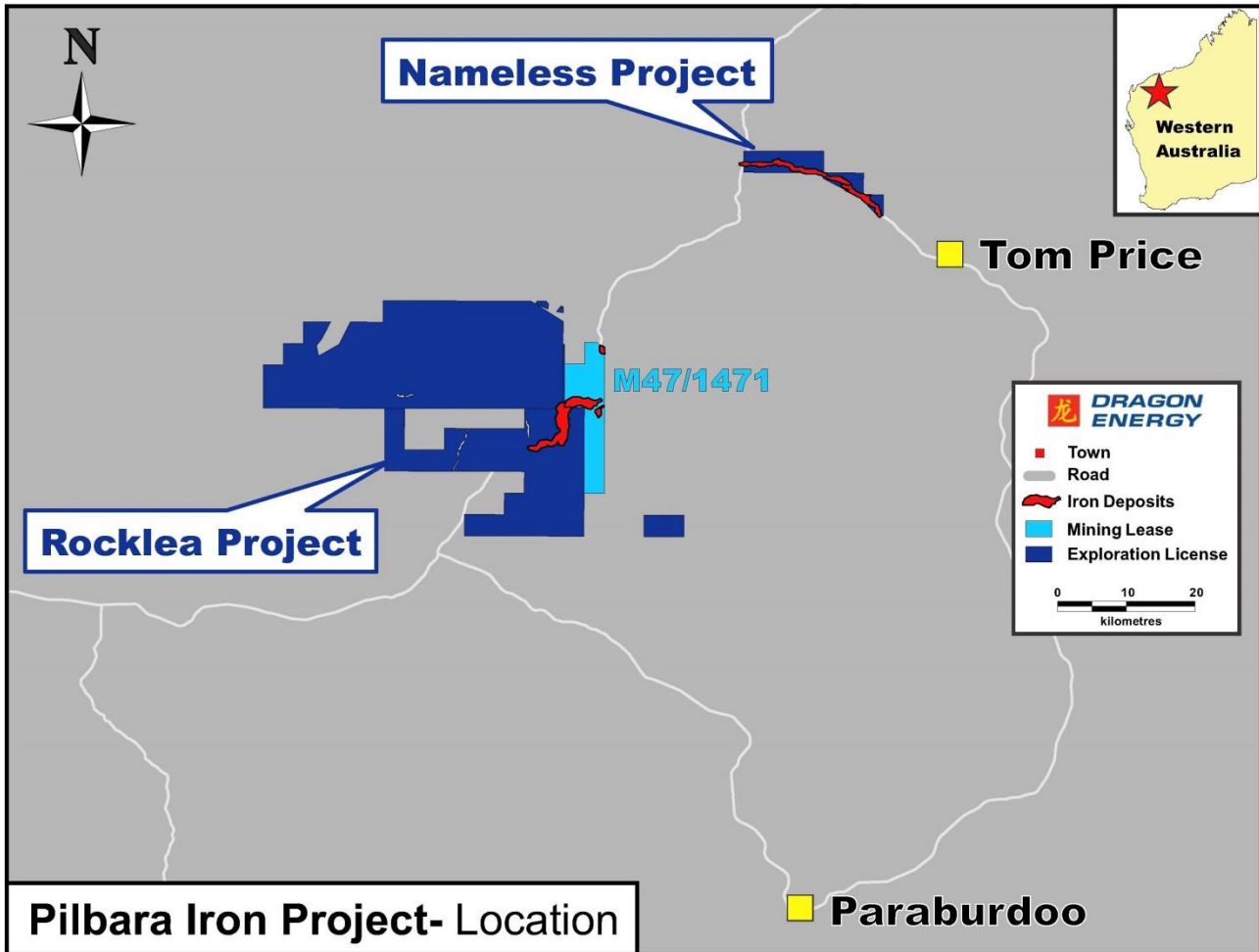
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¹ "Rocklea Central" was previously named "Rocklea Main" in the Mineral Resource ASX Release reported 25 July 2012

² "Rocklea North" was previously named "Rocklea North Pod" in the Mineral Resource ASX Release reported 25 July 2012

³ The Mineral Resource was updated in 2012 in accordance with the guidelines of the Australasian Code for reporting Exploration Results, Mineral Resources and Ore reserves (JORC Code 2004) using a 50% Fe lower cut-off grade, and an in situ density of 2.7 t/m³. No mining parameters were applied to the model.

⁴ Dragon calculated calcined iron using the following formula: $caFe\% = (Fe\% / (100 - LOI)) * 100$ which is the grade after interstitial water has been removed



About Dragon

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

Dragon's flagship project is the Pilbara Iron Project- comprising the Rocklea and Nameless deposits. Dragon Energy's portfolio of tenements has numerous multi-commodity targets, including Fe, Mn, Au and U in Western Australia.

Competent Person's Statement (2004 JORC Code)

The information in the report to which this statement is attached that relates to Exploration Results is based on information compiled by Mr Mark Hafer, who is a Member of The Australian Institute of Geoscientists. Mr Hafer is a full-time employee of the company.

The information that relates to the Rocklea (Dragon) Mineral Resource Estimate is based on information compiled by Mr James Farrell who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a Member of The Australian Institute of Geoscientists and an employee of Golder Associates Pty Ltd.

Messrs Hafer and Farrell have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Messrs Hafer and Farrell consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.