



**DRAGON  
ENERGY**



# Corporate Presentation

September 2011

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# Summary

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- ASX listed resource company with A\$14.7 million cash at the end of June, 2011
- Flagship Pilbara Iron Project with 63Mt of JORC iron ore Resources, and additional Exploration Target<sup>1</sup> of 140 - 190Mt
- Portfolio of iron ore, manganese, gold and base metals exploration projects in Western Australia
- Strategic support from major shareholder, a leading private Chinese Mining Company
- Experienced board and management comprising of Australian and Chinese nationals

<sup>1</sup> See last page for definition of Exploration Target

# Corporate

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ASX code	<b>DLE</b>
Shares on issue	206.4 m
Cash (at June end, 2011)	~A\$15 m

Options on issue	
- listed (Nov 2014 @\$0.35)	47.46 m
- unlisted (May 2012 @\$0.30)	11.15m

## Directors

Jie Chen	Exec. Chairman
Gang Xu	Managing Director
Anthony Ho	Exec. Director
Qingyong Guo	Non Exec Director

## Shareholders

Top 20 Shareholders (Sep 2011)	88.2%
Major Shareholders (Sep 2011)	
- Shandong Taishan Group	70.3%
- Mr Gang Xu	6.6%

# Executives

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## **Jie Chen – Executive Chairman**

- Chairman of Shandong Taishan Group
- Awarded Top 10 young entrepreneur in Shandong province
- Awarded Top 20 best mine manager in China

## **Anthony Ho – Executive Director**

- Over 25 yrs experience in corporate and finance services
- Principal of corporate advisory and services firm
- Director and secretary to several ASX listed companies

## **Henry Ng – Corporate Development Manager**

- Head of Asian Development at Aquila Resources
- Senior M&A banker at Barclays and HSBC in Hong Kong
- Mining Engineer, worked at Rio Tinto Paraburdoo Mine

## **Joel Brook – Senior Geologist**

- 5 yrs experience in iron, base metals, and gold exploration
- Field expertise covering the whole of Western Australia
- Senior geologist for major drilling programs

## **Gang Xu – Managing Director**

- Over 20 yrs experience in mining and energy industry
- Finance and Marketing Manager for Sino Gold Limited
- Senior geologist at China National Nuclear Corporation

## **Mark Hafer – Exploration Manager**

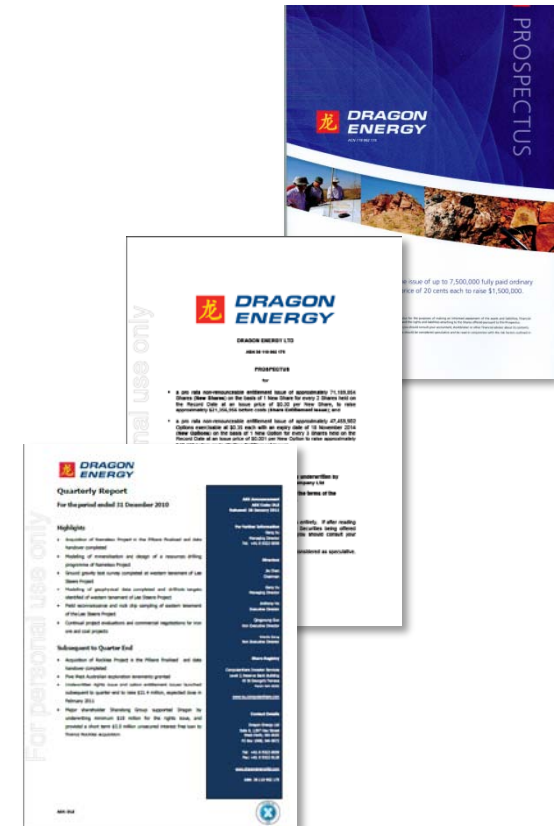
- Over 10 yrs experience in iron, gold and metals exploration
- Field experience in WA, SA and Kazakhstan
- Senior Geologist at Mt Gibson Iron

## **Norman Daffen – Project Manager**

- 25 yrs in mining and bulk material supply chain
- 8 yrs Executive General Manager Siemens Ltd
- 6 yrs Midwest Corporation Project Manager

# Milestones

- Feb, 2009**      **Listed on the ASX**
- Dec, 2009**      **Acquired 3 exploration projects from Polaris NL**
- Oct, 2010**      **Acquired Rocklea and Nameless projects from AusQuest**
- Jan, 2011**      **Applications for 5 WA exploration tenements granted**
- Feb, 2011**      **Completed rights and options issue to raise A\$19.2m**
- Aug, 2011**      **Commenced Pilbara Iron Project Scoping Study**
- Sep, 2011**      **Level 2 Environmental Survey Commenced**



**Consistent Progress**

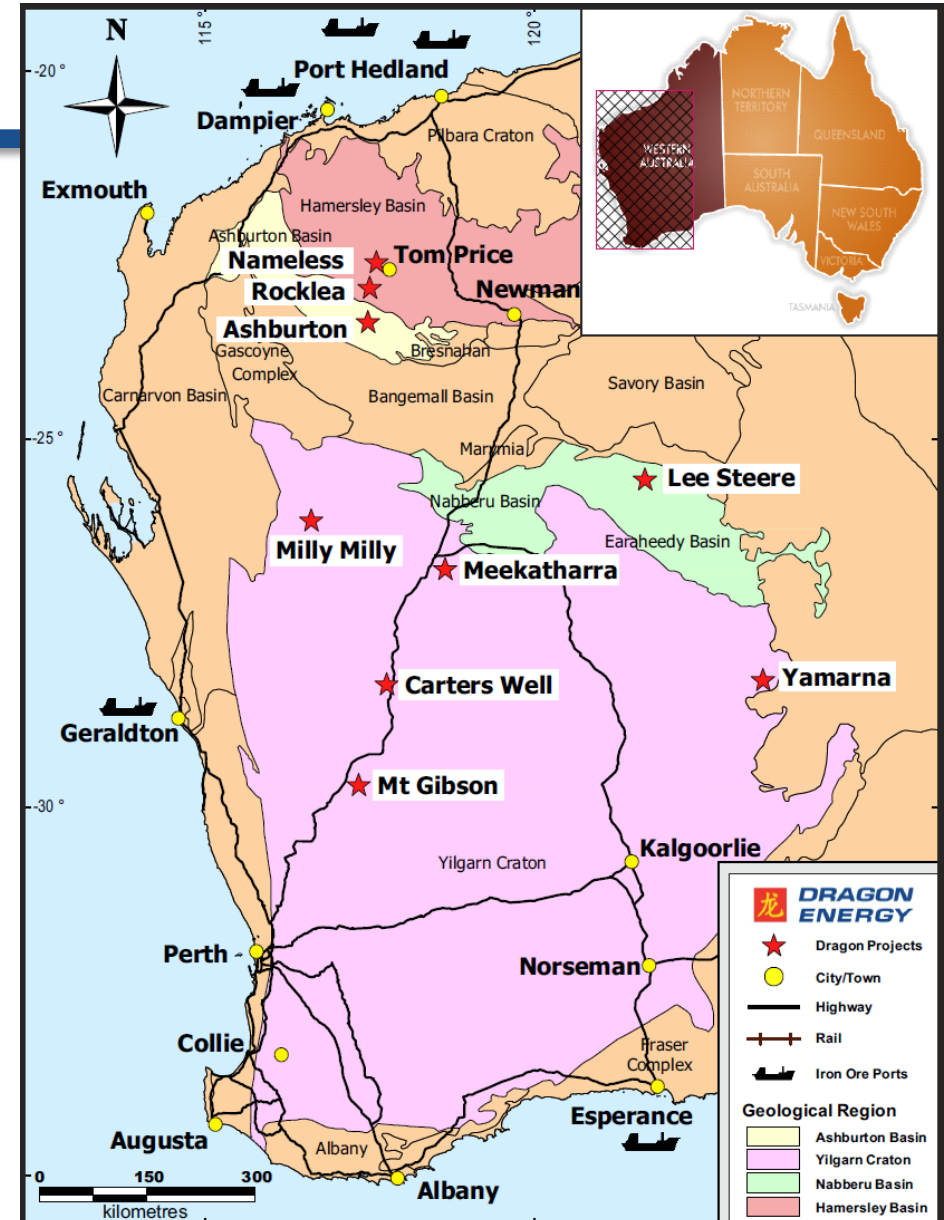
# Project Summary

## Pilbara Iron Project

- Rocklea
- Nameless

## WA Exploration (Targets)

- Lee Steere (Mn, Fe)
- Ashburton (Fe, Au)
- Mt Gibson (Au, Base metals)
- Carters Well (Au)
- Milly Milly (Fe, Base metals)
- Yamarna (Base metals, Au)
- Meekatharra (Au)





# Pilbara Iron Project - Overview

Two centrally located advanced iron ore exploration projects in the prolific Pilbara region<sup>1</sup> of Western Australia

## Rocklea

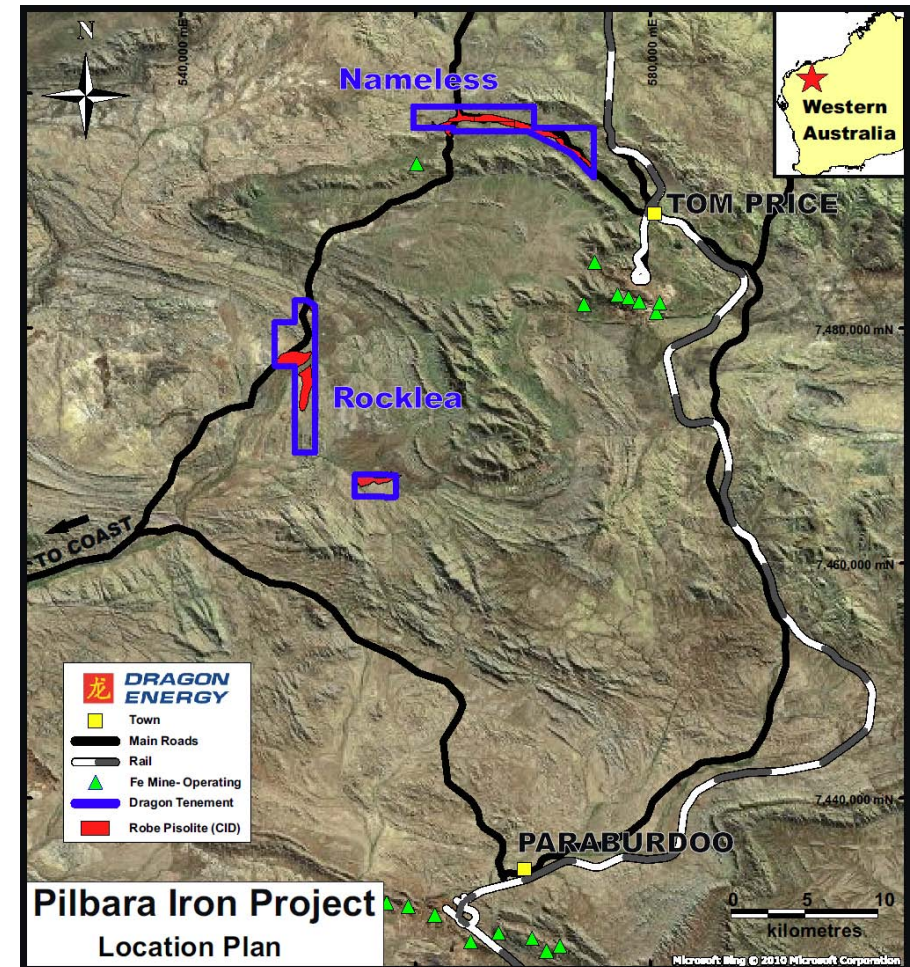
63.1Mt @ 53.4% Fe JORC inferred Resources,  
(50% Fe cut-off grade)

## Nameless

140 - 190Mt @ 48 to 52% Fe Exploration Target<sup>2</sup>

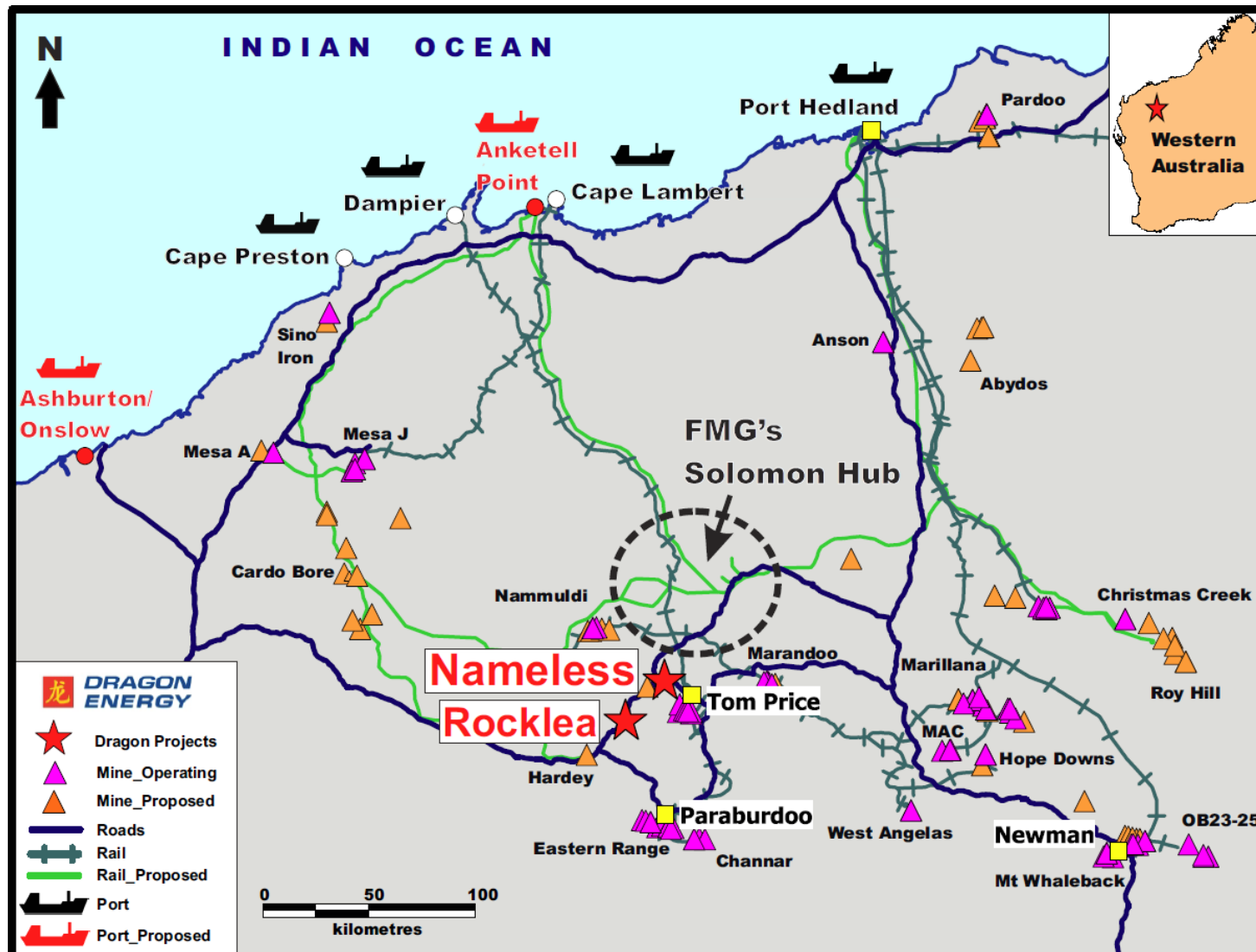
<sup>1</sup> In 2010, the Pilbara region accounted for 92.5% of Australia's total iron ore production and 79.5% of total identified resources (source: Geoscience Australia)

<sup>2</sup> See back page for definition of Exploration Target





# Pilbara Iron Project - Infrastructure



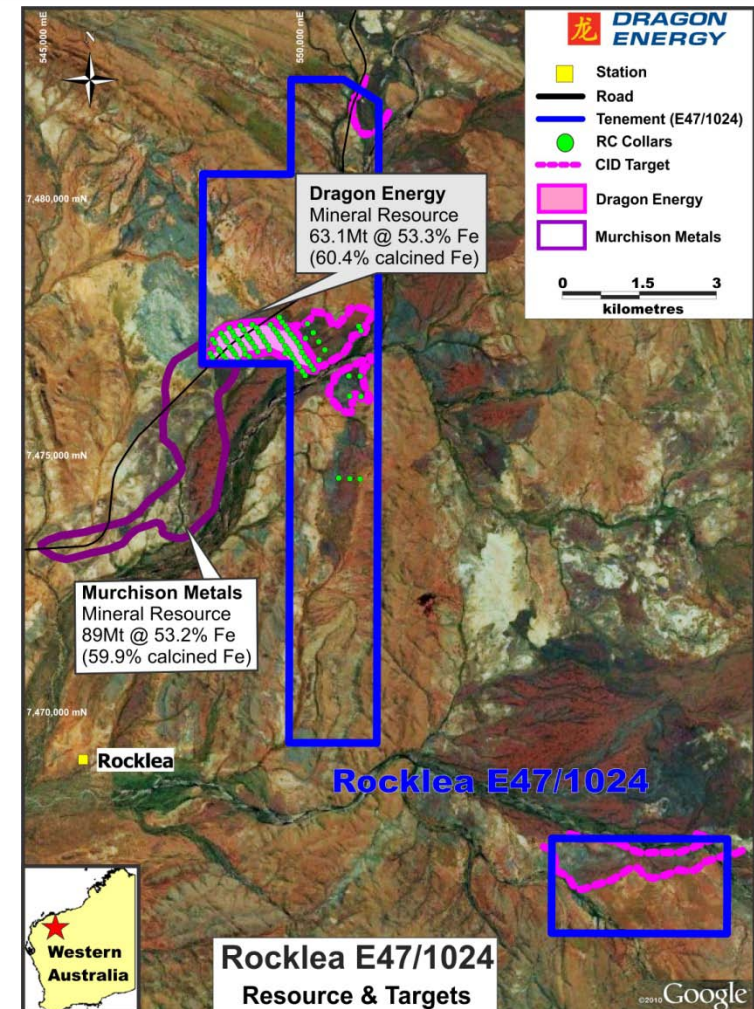
# Pilbara Iron Project - Rocklea

- Drilling has identified a JORC inferred resource of 63.1Mt @ 53.4% Fe (50% Fe cut-off grade)
- Channel iron style mineralisation
  - Shallow deposit, low mining costs
  - Direct shipping ore characteristics
- Additional exploration targets on the tenement
- Upcoming drilling programme aiming to increase the confidence level of the resource

**Rocklea Ore Characteristics Summary**

	Million tonnes	Fe (%)	caFe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI(%) (1000°C)	Cut-off grade
<b>Inferred</b>	<b>63.1</b>	<b>53.4</b>	<b>60.4</b>	<b>7.7</b>	<b>2.5</b>	<b>0.03</b>	<b>11.6</b>	<b>50%</b>

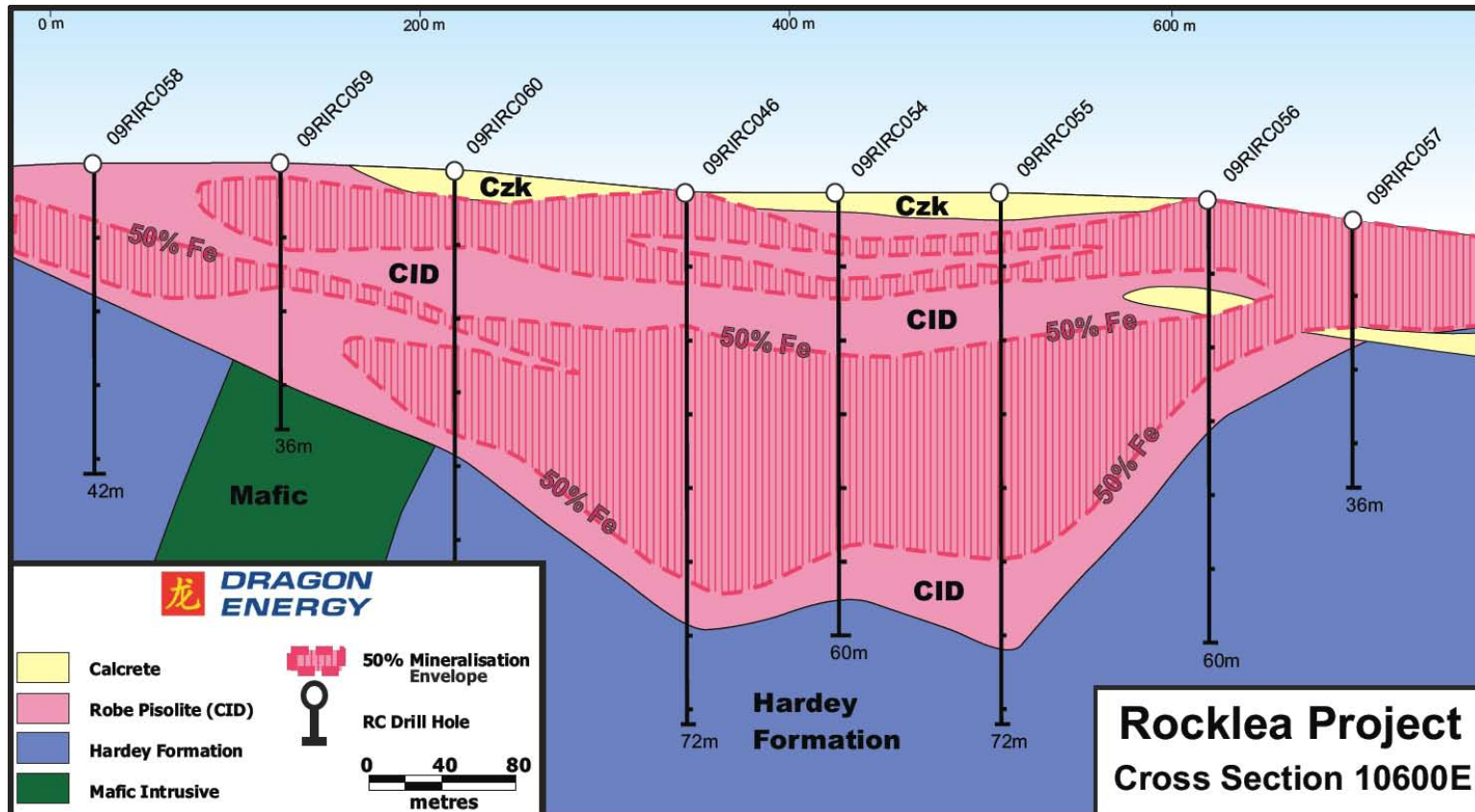
Source: Golder Associates 2009 Resource Statement prepared for AusQuest Limited



# Pilbara Iron Project – Rocklea Cross Section

## CID section 10600E

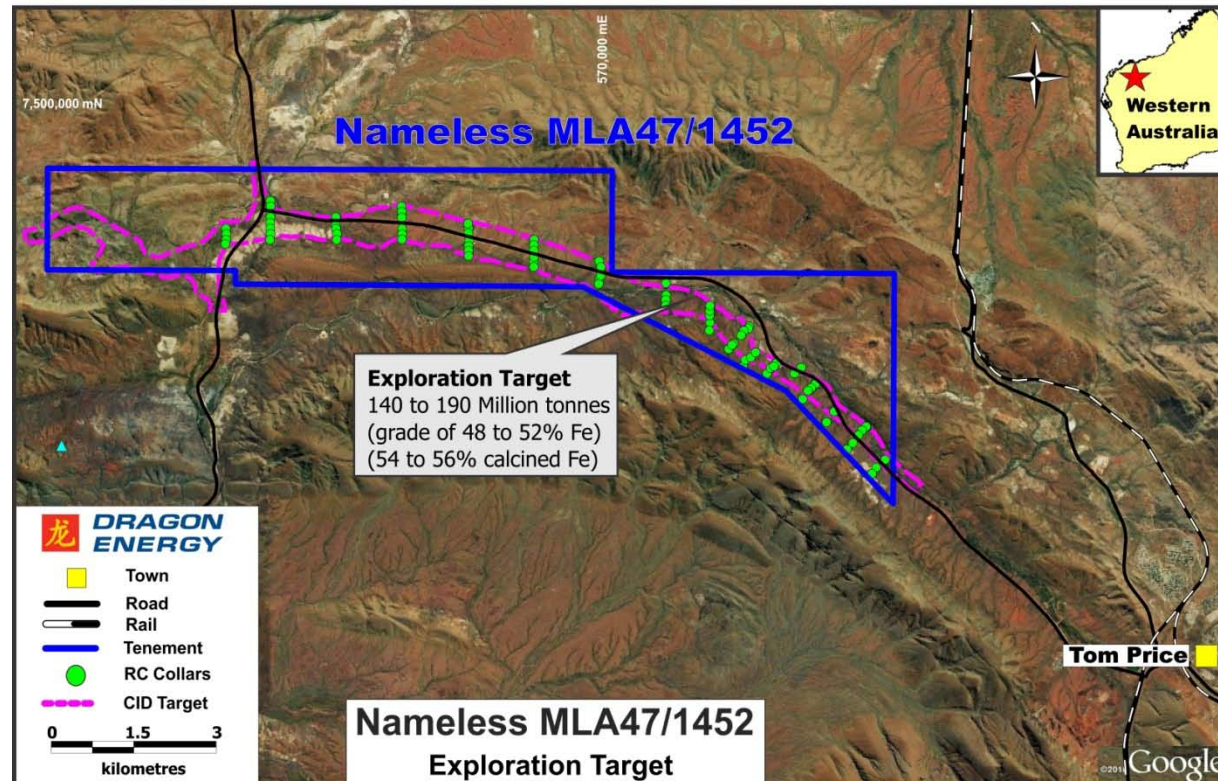
**Strike Length:** 3km  
**Channel Width:** up to 1000m  
**CID Thickness:** up to 60m





# Pilbara Iron Project - Nameless

- CID and Marra Mamba mineralisation with an Exploration Target<sup>1</sup> of 140 - 190Mt identified from previous drilling
- Additional infill drilling planned to define a JORC standard resource

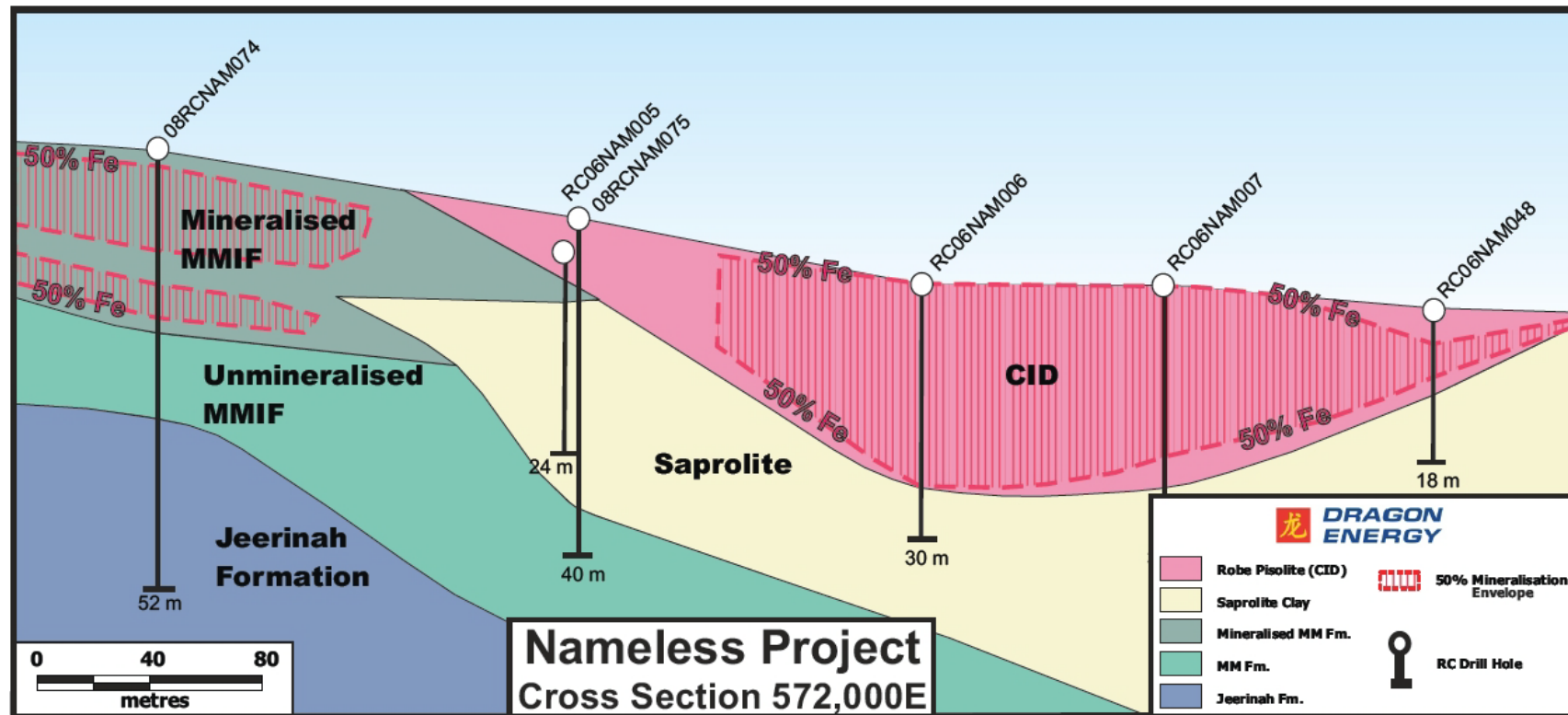


<sup>1</sup> see back page for definition for Exploration Target

# Pilbara Iron Project – Nameless Cross Section

## CID section 572000E

**Strike Length:** 15km  
**Channel Width:** 400 to 600m  
**CID thickness:** up to 24m





# Exploration - Lee Steere

## Tenement

E69/2126, E69/2377

## Location

200km north-east of Wiluna

## Area

155km<sup>2</sup>

## Targets

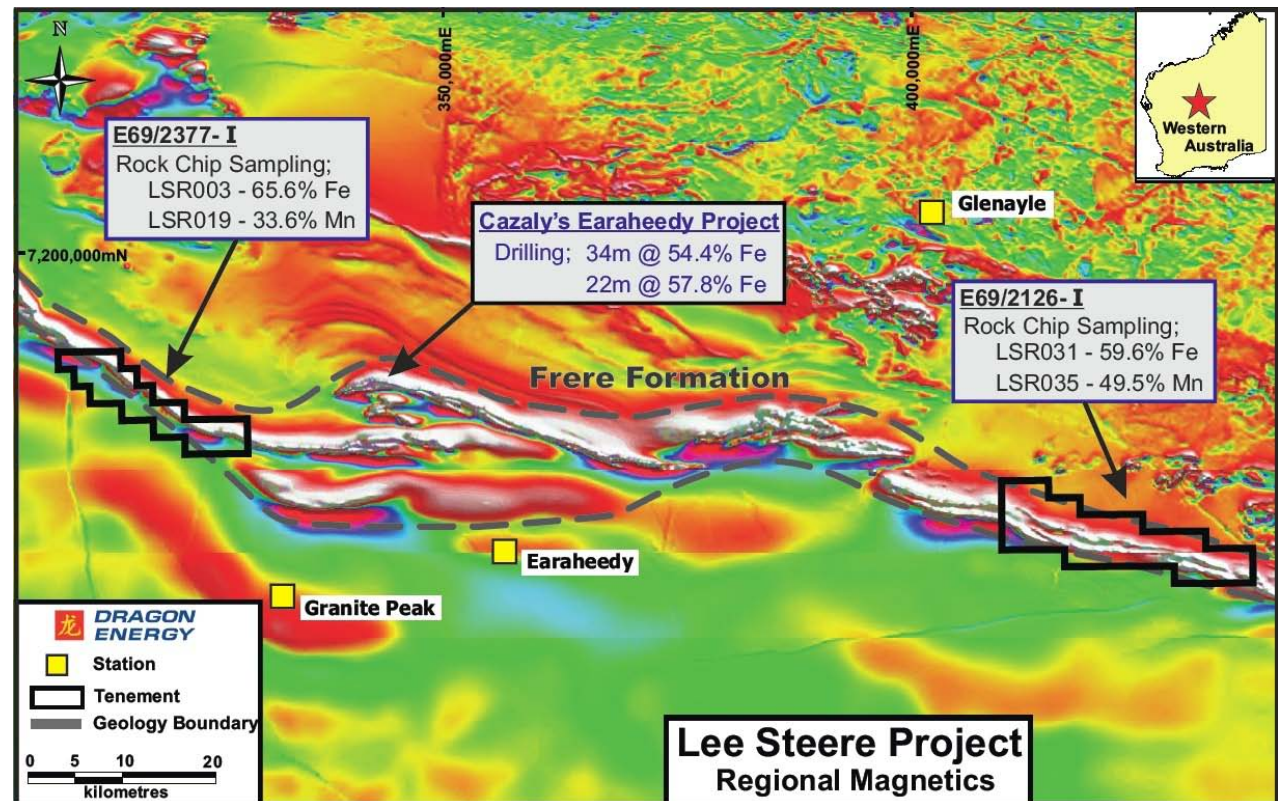
Manganese, Iron

## Status

Encouraging surface sampling results;

Drill testing planned;

Project awarded WA  
Government co-funding



# Exploration – Ashburton

## Tenement

E08/2209-2211, E47/2417

## Location

Pilbara region, close to Paraburdoo infrastructure

## Area

507km<sup>2</sup>

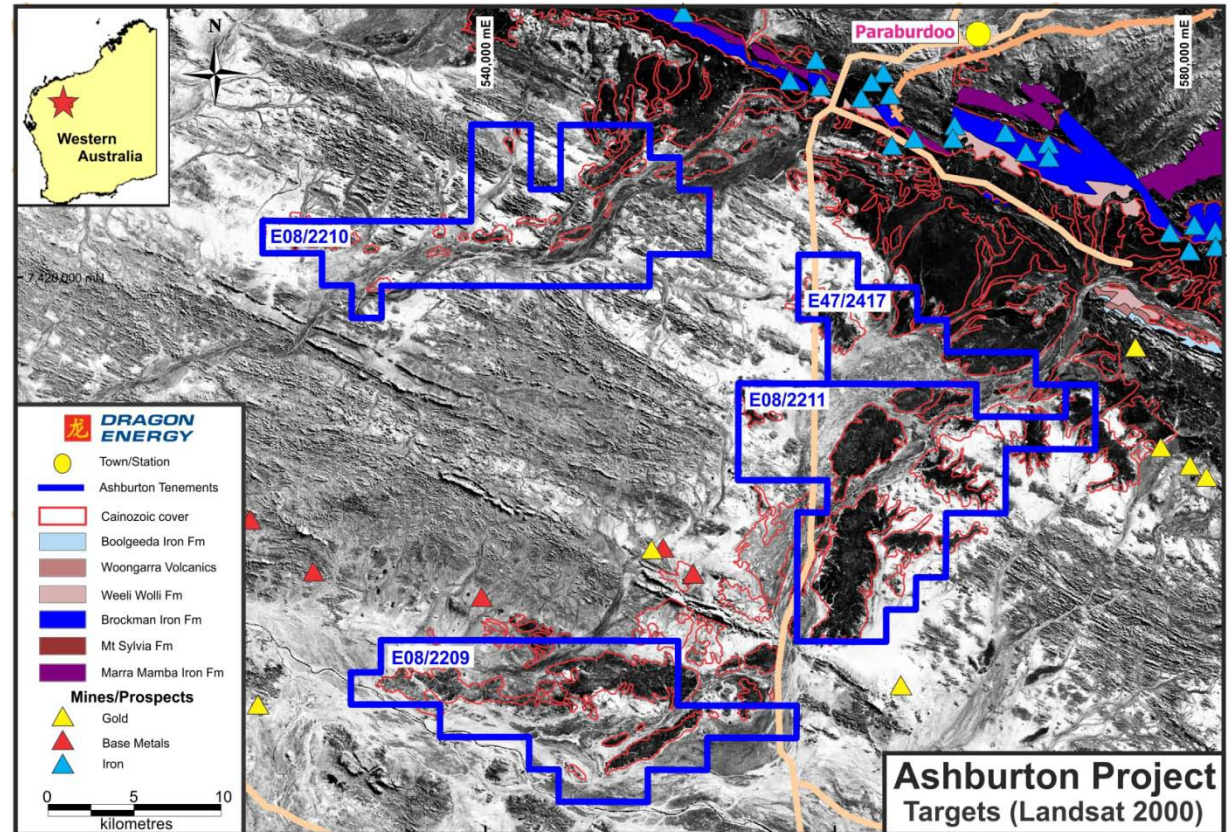
## Targets

CID and detrital Iron

## Status

Targets identified;

Exploration planned upon grant of tenements





# Exploration – Mt Gibson

## Tenement

E59/1637-38, E59/1686-87

## Location

80km north-east of Wubin, 30km to Extension Hill Iron Project, adjacent to Mt Gibson Gold Mine

## Area

265km<sup>2</sup>

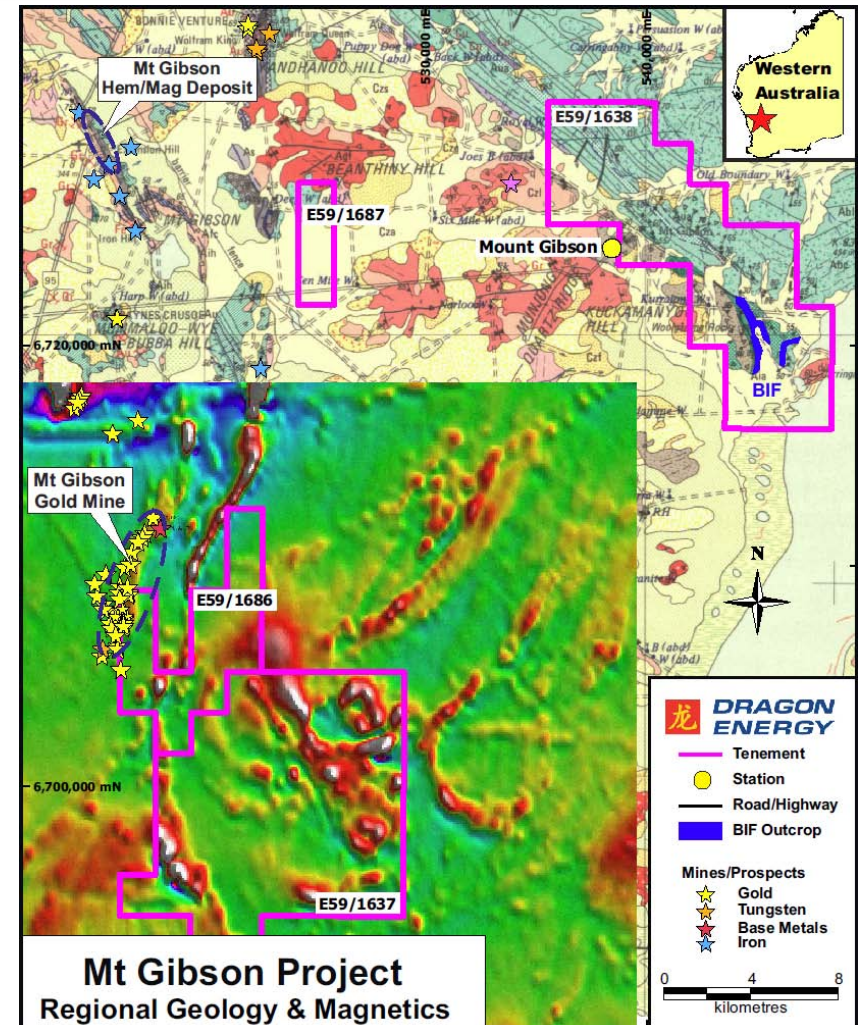
## Targets

Gold, Base metals

## Status

Completed initial review;

Exploration targets generated



# Exploration – Carters Well

## Tenement

E59/1639

## Location

30km south of Mt Magnet gold mining district

## Area

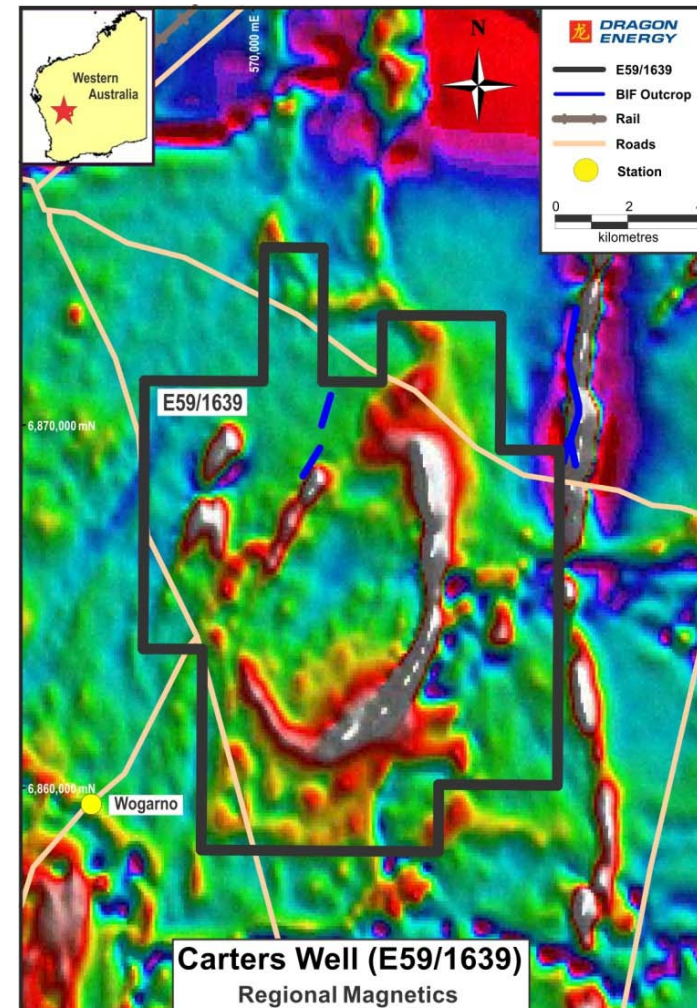
142km<sup>2</sup>

## Targets

Gold

## Status

Completed initial MMI survey;  
Awaiting assay results



# Exploration – Milly Milly

## Tenement

E09/1811

## Location

196km west of Meekatharra, 58km east of Jack Hills iron project

## Area

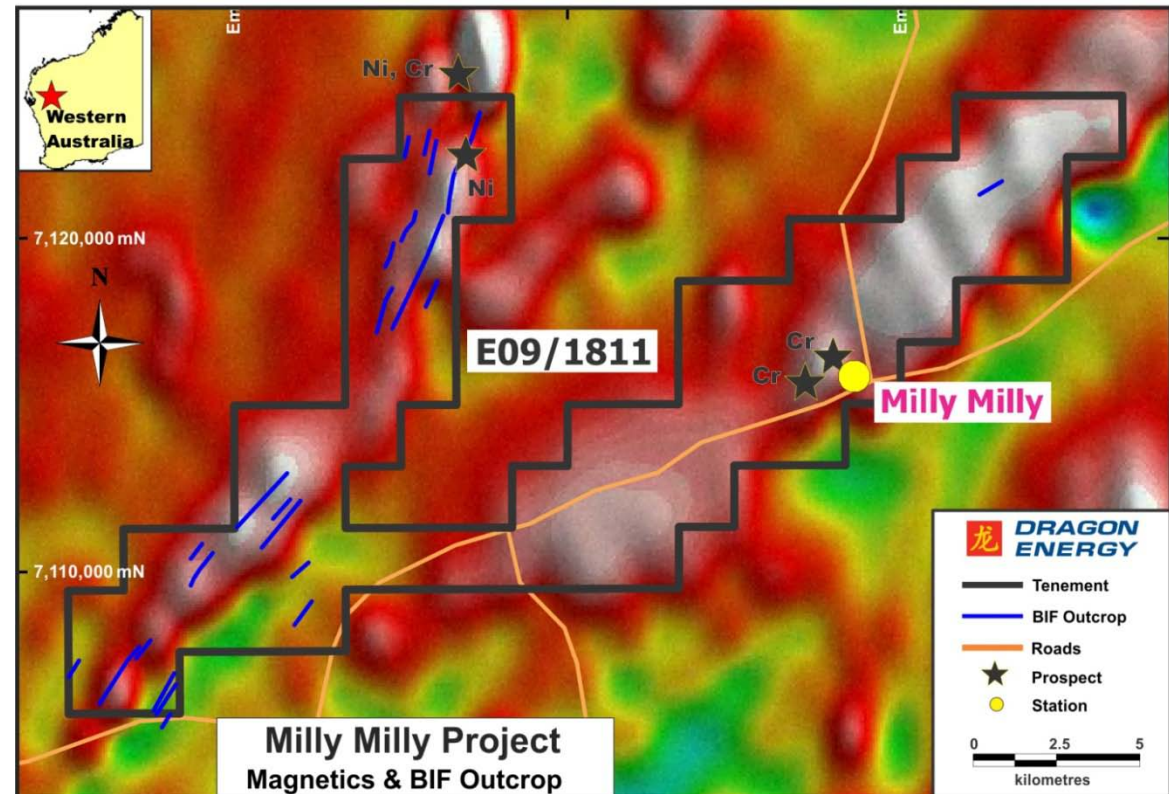
191km<sup>2</sup>

## Targets

Iron, Base metals

## Comment

Under review





# Exploration – Yamarna

## Tenement

E38/2665

## Location

120km north-east of Laverton

## Area

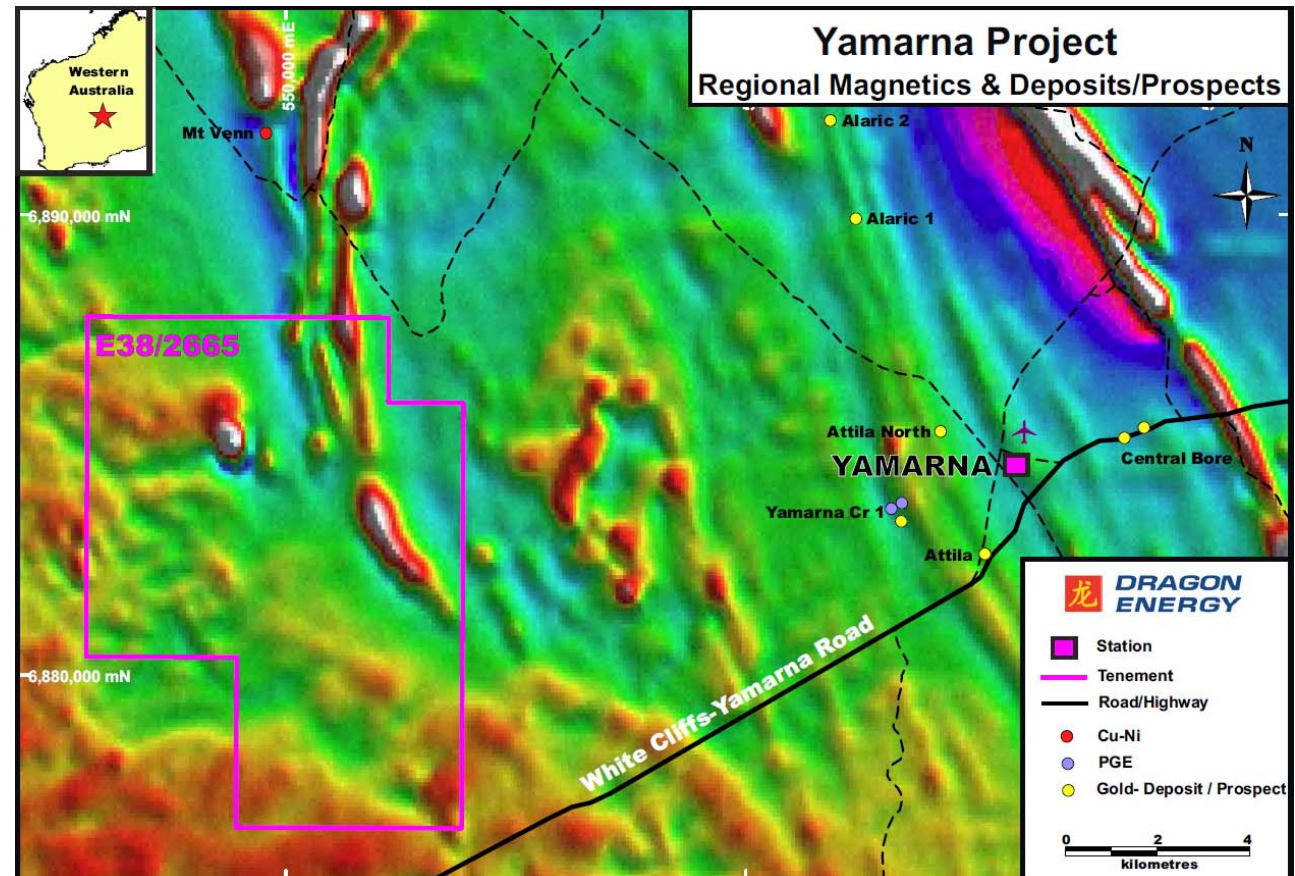
75km<sup>2</sup>

## Targets

Base metals, Gold

## Comment

Greenstone succession at Mt Venn (Cu, Ni) is also present on E38/2665



# Exploration – Meekatharra

## Tenement

P51/2734 – 2744

## Location

13km south-east of  
Meekatharra

## Area

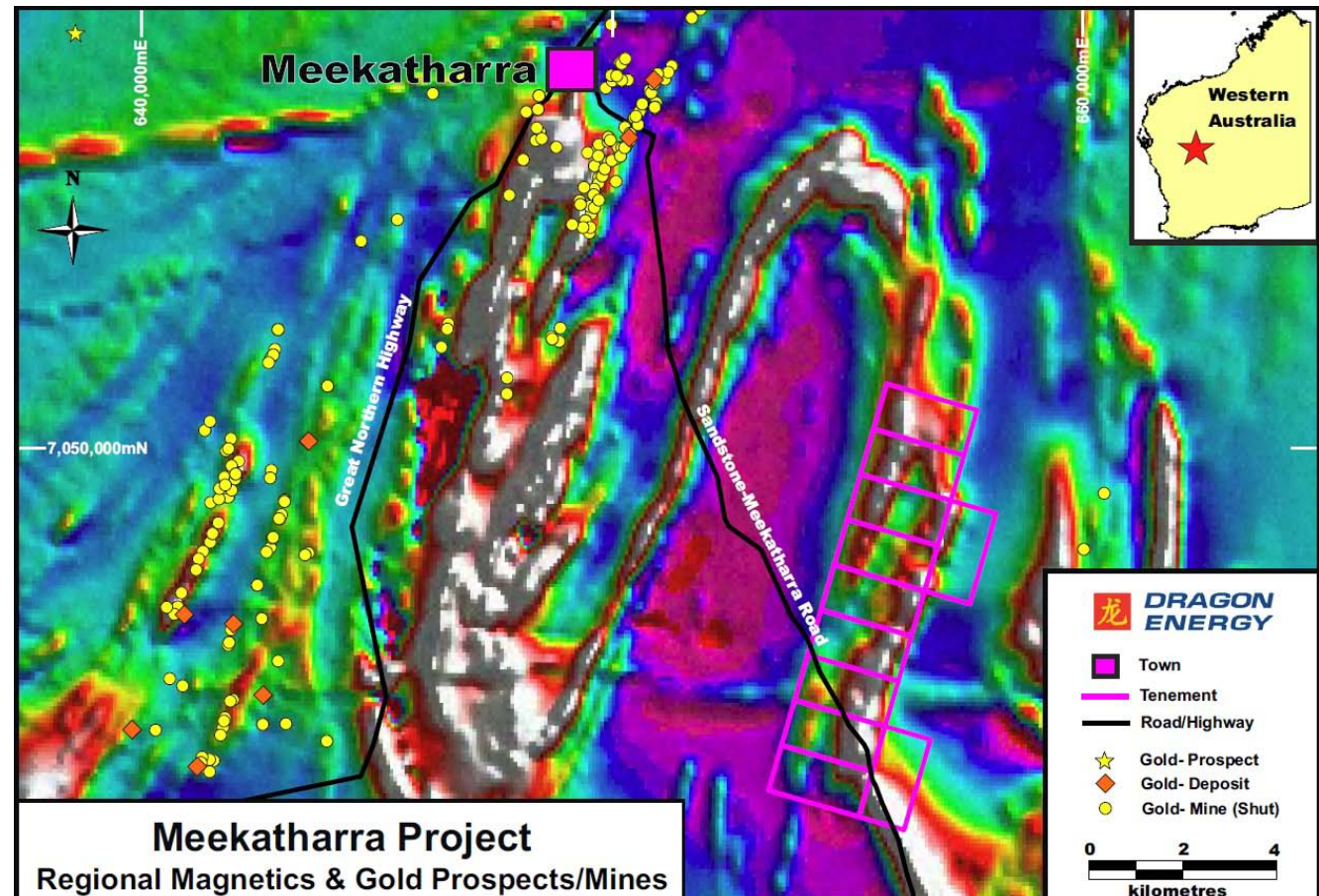
22km<sup>2</sup>

## Targets

Gold

## Comment

Gold and arsenic anomalies  
identified by previous (limited)  
exploration activities





# Priorities in 2011

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- Pilbara Iron Project
  - Examine early development options
  - Expand and increase confidence level of the Resource at Rocklea
  - Establish maiden JORC Resource at Nameless
- Exploration Projects
  - Ongoing exploration on existing tenements
  - Apply for and/or acquire new tenements
- Corporate
  - Evaluate new targets and acquisitions



# Competent Person / Exploration Target

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## Competent Person's Statement

The information in the report to which this document 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. Mr Hafer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The information that relates to the Rocklea Mineral Resources Estimate has been compiled by Mr Stephen Godfrey who is a Member of the Australasian Institute of Mining and Metallurgy and The Australian Institute of Geoscientists and an employee of Golder Associates Pty Ltd. Both Mr Hafer and Mr Stephen Godfrey consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

## Exploration Target

Exploration Targets are reported according to Clause 18 of the JORC Code. Potential quantity and grade of mineralisation is conceptual in nature. Further exploration, particularly drilling, is necessary before any identified Mineral Resources can be reported. It is uncertain if further exploration will lead to a larger, smaller or any Mineral Resource.