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**ASX ANNOUNCEMENT**

**05 JULY 2010**

**FURTHER ON MARKET PURCHASE OF CONVERTIBLE NOTES**

A wholly owned subsidiary of Dragon Mining Limited ("Dragon Mining" or the "Company") has purchased a further 1,308,180 Dragon Mining Convertible Notes ("Notes") at an average cost of \$1.05 per note for a total of \$1,377,366 including costs.

Of the 23,645,289 Notes on issue, 18,005,810 Notes are now held by the subsidiary of Dragon Mining. All Notes remain listed on ASX.

For and on behalf of  
**Dragon Mining Limited**

**Peter G Cordin**  
Executive Chairman

# Appendix 3E

## Daily share buy-back notice (*except* minimum holding buy-back and selective buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: rule 3.6, Appendix 7C. Amended 30/9/2001.

Name of entity	ABN
Dragon Mining Limited	19 009 450 051

We (the entity) give ASX the following information.

### Information about buy-back

1	Type of buy-back	Purchase by Dragon Mining Limited Subsidiary
2	Date Appendix 3C was given to ASX	09-01-09

### Total of all shares bought back, or in relation to which acceptances have been received, before, and on, previous day

	Before previous day	Previous day
3	Number of shares bought back or if buy-back is an equal access scheme, in relation to which acceptances have been received	16,697,630 1,308,180
4	Total consideration paid or payable for the shares	14,305,843.52 1,377,366.37

+ See chapter 19 for defined terms.

**Appendix 3E**  
**Daily share buy-back notice**

		<b>Before previous day</b>	<b>Previous day</b>
5	If buy-back is an on-market buy-back	highest price paid: \$1.05  lowest price paid: \$0.65	highest price paid: \$1.05 2/07/10  lowest price paid: \$1.05 2/07/10 highest price allowed under rule 7.33: \$1.10

**Participation by directors**

6	Deleted 30/9/2001.	NIL
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**How many shares may still be bought back?**

7	If the company has disclosed an intention to buy back a maximum number of shares - the remaining number of shares to be bought back	NA
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**Compliance statement**

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:  Date: 05/07/10  
 (Executive Chairman)

Print name: Peter G. Cordin

+ See chapter 19 for defined terms.