

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

| | |
|-----------------------|------------------------------|
| Name of entity | DRAGON MINING LIMITED |
| ABN | 19 009 450 051 |

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

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|----------------------------|-----------------------------|
| Name of Director | MICHAEL DYLAN NAYLOR |
| Date of last notice | 4 May 2010 |

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

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| Direct or indirect interest | Indirect |
| Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest. | Beneficiary of MD & SJ Super Fund Account |
| Date of change | 30 September 2010 |
| No. of securities held prior to change | Michael Dylan Naylor & Sarah McAlpine (MD & SJ Super Fund A/C) - 340,000 Ordinary Shares - 11,500 10% Convertible Notes Sarah June McAlpine (Spouse) - 307,500 Ordinary Shares |
| Class Purchased | Ordinary Fully Paid Shares |
| Number acquired | 69,000 |
| Number disposed | Nil |

+ See chapter 19 for defined terms.

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| <p>Value/Consideration includes brokerage/gst Note: If consideration is non-cash, provide details and estimated valuation</p> | <p>Nil</p> <p>11,500 10% Convertible Notes with a face value of \$1.05 were converted, on the basis of 6 shares for 1 Convertible Note, into 69,000 Ordinary Shares</p> |
| <p>No. of securities held after change</p> | <p>Michael Dylan Naylor & Sarah McAlpine (MD & SJ Super Fund A/C)</p> <ul style="list-style-type: none"> - 409,000 Ordinary Shares <p>Sarah June McAlpine (Spouse)</p> <ul style="list-style-type: none"> - 307,500 Ordinary Shares |
| <p>Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</p> | <p>Conversion of Convertible Notes</p> |

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

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|---|------------|
| <p>Detail of contract</p> | <p>N/A</p> |
| <p>Nature of interest</p> | <p>N/A</p> |
| <p>Name of registered holder (if issued securities)</p> | <p>N/A</p> |
| <p>Date of change</p> | <p>N/A</p> |
| <p>No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed</p> | <p>N/A</p> |
| <p>Interest acquired</p> | <p>N/A</p> |
| <p>Interest disposed</p> | <p>N/A</p> |
| <p>Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation</p> | <p>N/A</p> |
| <p>Interest after change</p> | <p>N/A</p> |

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