

**ASX ANNOUNCEMENT**

**31 DECEMBER 2008**

**FURTHER ON MARKET PURCHASE OF CONVERTIBLE NOTES**

A wholly owned subsidiary of Dragon Mining Limited (“Dragon Mining” or the “Company”) has purchased a further 2,095,000 Dragon Mining Convertible Notes (“Notes”) at an average cost of \$0.70 per note for a total of \$1,471,340 including costs.

Of the 23,645,289 Notes on issue, 4,086,000 Notes are now held by the subsidiary of Dragon Mining. All Notes remain listed on ASX.

The Company may purchase additional Notes but has no fixed view on the number of Notes, if any, which may be acquired in the future.

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

**Peter G Cordin**  
Managing Director