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**ASX ANNOUNCEMENT**

**29 APRIL 2013**

**NOTICE OF ANNUAL GENERAL MEETING and PROXY FORM**

Dragon Mining Limited announces that its annual general meeting will be held at Liberty Executive Offices, Level 14, 197 St Georges Terrace, Perth Western Australia on 30 May 2013, commencing at 9.00am (WST).

The following documents are released to the Market:

- Notice of Annual General Meeting
- Proxy Form

Shareholders should note that proxy forms must be mailed or delivered to the Company's Perth office at Unit B1, 431 Roberts Road Subiaco WA 6008 or received by facsimile transmission (08 6311 8004 within Australia) and (+61 8 6311 8004 outside Australia) by 9:00 am (WST) on Tuesday 28 May 2013.

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

**Austin James**  
**Company Secretary**

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**DRAGON MINING LIMITED**  
ABN 19 009 450 051

**NOTICE OF ANNUAL GENERAL MEETING**

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**The Annual General Meeting of the Company will be held at  
Liberty Executive Offices, Swan & Ibis Rooms,  
Level 14, 197 St Georges Terrace Perth, Western Australia  
on Thursday, 30 May 2013 at 9.00am (WST).**

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*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 6311 8000***

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders ("Meeting") of Dragon Mining Limited ("Company") will be held on Thursday, 30 May 2013 at 197 St Georges Terrace Perth at 9.00am (WST).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined on page 9.

The Company's 2012 Annual Report can be accessed on the Company's website [www.dragon-mining.com.au](http://www.dragon-mining.com.au)

### AGENDA

#### 1. Financial Report

To receive the Financial Report of the Company and its controlled entities for the year ended 31 December 2012 together with a Directors' Report and the Auditor's Report on the Financial Report.

#### 2. Resolution 1 – Approve Remuneration Report

To consider, and if thought fit, pass as an **ordinary resolution**, with or without amendment, the following:

*"That the Remuneration Report be adopted by the Shareholders on the terms and conditions outlined in the Explanatory Memorandum."*

The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting.

##### Note

*Please note that although under the Corporations Act 2001 (Cth) (Corporations Act) this resolution is advisory only and does not bind the Directors or the Company, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company. See the Explanatory Statement accompanying this Notice of Meeting for further information.*

##### Voting Exclusion Statement

In accordance with sections 250R(2) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity) on this Resolution 1 by or on behalf of the Company's key management personnel (KMP) (including the Directors), details of whose remuneration are included in the Remuneration Report, or their closely related parties, whether as a shareholder or as a proxy. However, a vote may be cast on this Resolution 1 by a KMP, or a closely related party of a KMP, if the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution 1; and the vote is not cast on behalf of a KMP or a closely related party of a KMP.

If you appoint the Chairman of the meeting as your proxy, and you do not direct your proxy how to vote on this Resolution 1 on the proxy form, you will be expressly authorising the Chairman of the meeting to exercise your proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a KMP, which includes the Chairman of the meeting. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.

#### 3. Resolution 2 – Re-election of Mr Markku Mäkelä as a Director

To consider, and if thought fit, to pass as an **ordinary resolution**, with or without amendment, the following:

*"That Mr Markku Mäkelä, who retires in accordance with Article 14.3 of the Company's Constitution and being eligible offers himself for re-election, be elected as a Director of the Company".*

#### 4. Resolution 3 – Re-election of Mr Toivo Tapani Järvinen as a Director

To consider, and if thought fit, to pass as an **ordinary resolution**, with or without amendment, the following:

*"That Mr Toivo Tapani Järvinen, who retires in accordance with Article 14.3 of the Company's Constitution and being eligible offers himself for re-election, be elected as a Director of the Company".*

## 5. Resolution 4 – Approval of grant of options to Mr Kjell Larsson

To consider and if thought fit to pass the following Resolution as an **ordinary resolution**:

*“That for the purpose of Listing Rule 10.14 and Chapter 2E of the Corporations Act and for all other purposes, the issue of:*

- *270,000 options to acquire ordinary fully paid shares in the capital of the Company at an exercise price of \$1.00, vesting immediately and expiring on 1 June 2015; and*
- *130,000 options to acquire ordinary fully paid shares in the capital of the Company at an exercise price of \$1.00, vesting 1 June 2014 and expiring on 1 June 2015,*

*on the terms and conditions of the Incentive Plan, to Mr Kjell Larsson for nil consideration, and the allotment and issue of ordinary fully paid shares in the capital of the Company on the exercise of those options, be and is hereby approved.”*

### **Voting Exclusion Statement**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 4 by any Directors of the Company who are eligible to participate in any employee incentive scheme in relation to the Company, and any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person referred to above as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman of the meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with section 250BD(1) of the Corporations Act, a vote must not be cast on this Resolution 4 by a KMP, or a closely related party of a KMP, acting as a proxy, if their appointment does not specify the way the proxy is to vote on this Resolution 4. However, this voting exclusion does not apply if the KMP is the Chairman of the Meeting acting as proxy and their appointment expressly authorises the Chairman of the meeting to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a KMP.

If you appoint the Chairman of the meeting as your proxy, and you do not direct your proxy how to vote on Resolution 4 on the proxy form, you will be expressly authorising the Chairman of the meeting to exercise your proxy even if Resolution 4 is connected directly or indirectly with the remuneration of a KMP.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 4.

12 April 2013  
By Order of the Board



Austin James  
Company Secretary

## PROXY AND VOTING INSTRUCTIONS

### Entitlement to vote

In accordance with Reg 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of Shares as at 5:00 pm (WST) on 28 May 2013 will be entitled to attend and vote at the Meeting.

If more than one joint holder of Shares is present at the Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### Proxy instructions

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company as set out below by **9:00 am (WST) on Tuesday 28 May 2012**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the Meeting. Proxy Forms may be lodged:

In person: Unit B1 431 Roberts Road  
Subiaco WA 6008.

By post: Unit B1 431 Roberts Road  
Subiaco WA 6008.

By facsimile: (08) 6311 8004 (within Australia)  
+61 8 6311 8004 (outside Australia)

### Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box as indicated on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be your proxy.

If the Chairman of the Meeting is appointed as your proxy, or is appointed by default, you acknowledge that the Chairman may exercise your proxy even though he has an interest in the outcome of the Resolutions and that votes cast by him for those Resolutions, other than as proxyholder, would be disregarded because of that interest. The Chairman intends to vote undirected proxies in favour of Resolutions 1 and 4.

If the Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy, the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified, each proxy may exercise half of the Shareholder's votes.

### Corporate representatives

A body corporate that is a Shareholder, or that has been appointed as a proxy, is entitled to appoint a person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission to the Meeting. A form of the certificate may be obtained from the Company's share registry.

## Proxies and conduct of Meeting

Sections 250BB and 250BC apply to voting by proxy and will apply to the conduct of the Meeting. Broadly, this means that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chairman, who must vote the proxies as directed.

Pursuant to section 250BB, an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the Chairman of the Meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chairman – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Under section 250BC, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of a company's members;
- (b) the appointed proxy is not the Chairman of the Meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - (i) the proxy is not recorded as attending the meeting;
  - (ii) the proxy does not vote on the resolution,

the Chairman of the Meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

## SHAREHOLDER QUESTIONS

At the Meeting, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company or the Remuneration Report.

A representative of Ernst & Young, as the auditor responsible for preparing the auditor's report for the year ended 31 December 2012, will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

To assist the management of the Company and the auditor of the Company in responding to questions please submit any questions you may have in writing to the Company Secretary no later than **5:00 pm (WST) on Thursday 23 May 2012:**

In person: Unit B1 431 Roberts Road  
Subiaco WA 6008.

By post: Unit B1 431 Roberts Road  
Subiaco WA 6008.

By facsimile: (08) 6311 8004 (within Australia)  
+61 8 6311 8004 (outside Australia)

As required under section 250PA of the Corporations Act, at the AGM the Company will distribute a list setting out the questions directed to the auditor received in writing by Thursday 23 May 2013, being questions which the auditor considers relevant to the content of the auditor's report or the conduct of the audit of the financial report for the year ended 31 December 2012. The Chairman will also be given a reasonable opportunity to respond to the questions set out on this list.

## **EXPLANATORY MEMORANDUM**

### **Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Level 14, 197 St Georges Terrace, Perth on **30 May 2013 at 9.00am (WST)**.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to assist Shareholders in deciding how to vote on the Resolutions.

### **Financial Statements and Reports**

The Corporations Act requires that the Financial Report (which includes the financial statements and directors' declaration), the Directors' Report and Auditor's Report be laid before the Company's Annual General Meeting. There is no requirement in either the Corporations Act or the Constitution for Shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report.

Shareholders will be given the opportunity at the Meeting to ask questions and make comments on these reports.

### **Resolution 1 – Approve Remuneration Report**

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Financial Report for the year ended 31 December 2012 contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

The provisions of the Corporations Act provide that Resolution 1 need only be an advisory vote of Shareholders.

Accordingly, Resolution 1 is advisory only and does not bind the Directors. However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2012 AGM, and then again at the 2013 AGM, the Company will be required to put a resolution to the 2013 AGM, to approve calling an extraordinary general meeting ("spill resolution"). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting ("spill meeting") within 90 days of the 2013 AGM. All of the Directors who were in office when the 2013 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

Shareholders will be given the opportunity at the Meeting to ask questions and make comments on the Remuneration Report.

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or their closely related parties.

If you appoint the Chairman of the meeting as your proxy, and you do not direct your proxy how to vote on this Resolution 1 on the proxy form, you will be expressly authorising the Chairman of the meeting to exercise your proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a KMP, which includes the Chairman of the meeting. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.

### **Resolution 2 – Re-election of Mr Markku Mäkelä as a Director**

Article 14.3(b) of the Constitution requires that at each AGM, one-third of Directors (not including directors appointed by the Board to fill a casual vacancy since the previous AGM, the Managing Director or selected under the three year rotation rule under Article 14.3(c)) must retire at the next AGM.

A Director who retires under Article 14.3 is eligible for re-election. Pursuant to these articles, Mr Mäkelä will retire and seek re-election.

Mr Mäkelä was appointed to the Board as a Director on 13 November 2008. Details on Mr Mäkelä can be found in the Company's Annual Report.

Mr Mäkelä has an interest in the Resolution and therefore does not make a recommendation. The other Directors unanimously support the election of Mr Mäkelä as a Director and recommend that shareholders vote in favour of Resolution 2.

### **Resolution 3 – Re-election of Toivo Tapani Järvinen as a Director**

Article 14.3(b) of the Constitution requires that at each AGM, one-third of Directors (not including directors appointed by the Board to fill a casual vacancy since the previous AGM, the Managing Director or selected under the three year rotation rule under Article 14.3(c)) must retire at the next AGM.

A Director who retires under Article 14.3 is eligible for re-election. Pursuant to these articles, Mr Järvinen will retire and seek re-election.

Mr Järvinen was appointed as a Director on 22 December 2003. Details of Mr Järvinen can be found in the Company's Annual Report.

Mr Järvinen has an interest in the Resolution and therefore does not make a recommendation. The other Directors unanimously support the election of Mr Järvinen as a Director and recommend that shareholders vote in favour of Resolution 3.

#### **Resolution 4 – Approval of grant of options to Mr Kjell Larsson**

Shareholders' approval is sought to a grant of options to Mr Larsson or his nominees, for nil consideration in accordance with the terms of the Dragon Mining Group Employees Option Incentive Plan ("Incentive Plan") approved by members on 30 November 2006.

The Incentive Plan permits the grant of options to acquire Shares to eligible persons associated with the Company, including employees of the Company. As Managing Director, Mr Larsson is an employee and Director of the Company.

The full terms and conditions of the Incentive Plan can be obtained from the Company Secretary upon request.

As Mr Larsson is a Director of the Company, approval is being sought for the grant of the options, and the issue of Shares on exercise of the options, pursuant to Chapter 2E of the Corporations Act and Listing Rule 10.14.

#### ***Related Party Transactions***

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Larsson (as a Director of the Company) is considered to be a related party of the Company.

Resolution 4 provides for the grant of options to related parties which is a financial benefit which requires shareholder approval. For the purpose of Chapter 2E of the Corporations Act, the following information is provided.

#### ***The related party to whom the proposed resolution would permit the financial benefit to be given***

The options will be issued to Mr Kjell Larsson (a related party of the Company) or his nominees within five days of the passing of this Resolution or failing that within 12 months from the passing of the Resolution.

#### ***The nature of the financial benefit***

The nature of the proposed financial benefit to be given to Mr Larsson is the grant to him or his nominees, for no issue price, of 400,000 options, and the issue of up to 400,000 Shares upon the vesting and subsequent exercise of those options. Each option will allow the holder to subscribe for one ordinary fully paid share in the Company. The exercise price of each option is \$1.00. 270,000 options vest immediately, and 130,000 vest on

1 June 2014. All 400,000 options expire on 1 June 2015.

The options issued under Resolution 4 will be issued to Mr Kjell Larsson or his nominees in accordance with the terms and conditions of the Incentive Plan.

The options should be granted within five days of the date of the Meeting or failing that within 12 months from the passing of the resolution.

The Shares issued as a result of the exercise of the options will rank *pari passu* with ordinary shares in the Company.

No funds will be raised as a result of the grant of the options.

The options form part of Mr Larsson's remuneration for his efforts in acting as Managing Director of the Company and also to provide an incentive for continuing and future efforts.

#### ***Directors' recommendation***

Mr Larsson has an interest in the Resolution and therefore does not make a recommendation. The other Directors unanimously support the award of options to Mr Larsson and recommend that shareholders vote in favour of Resolution 4 for the following reasons:

- (a) the options are a cost effective and efficient remuneration for Mr Larsson's past efforts in acting as Managing Director of the Company;
- (b) the options provide an appropriate incentive for Mr Larsson's continuing and future efforts to assist the Company to achieve certain key performance targets; and
- (c) the options assist the Company to retain the services of Mr Larsson.

#### **All of the Directors were available to consider the proposed Resolution.**

#### ***Interests of directors***

Mr Larsson has an interest in the approval of Resolution 4 in relation to the options. The Company's remaining directors do not have an interest in the outcome of Resolution 4, except where they are Shareholders. As set out in the Proxy Form, the Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 4.

#### ***Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers.***

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant 400,000 free options to acquire Shares to Mr Larsson or his nominees.
- (b) The exercise of the options is subject to the terms and conditions of the Incentive Plan.



- (c) The Directors, have attempted to value the options by reference to the Black-Scholes valuation method, based upon the assumptions outlined below:

Details	Input
Share price	\$0.49*
Exercise Price	\$1.00
Risk Free Rate	2.5%
Volatility (Annualised)	49%
Time (years) to expiry	2

\*Being the weighted average price for the period from 18 March 2013 to 31 March 2013.

- (d) The total value of the options to be issued is \$16,089. If options granted to Mr Larsson are exercised, the effect would be to dilute the shareholdings of the existing Shareholders.
- (e) As at 31 March 2012, the issued capital of the Company comprised 88,840,613 Shares. On a fully diluted basis, the issue of Shares upon the exercise the options would represent approximately 0.45% of the Company's issued capital.
- (f) Mr Larsson's current interests in securities of the Company is nil Shares and the following options:

Number of options	Exercise price	Expiry
150,000	\$1.45	19 Oct 2014

- (g) The market price of the Company's Shares during the term of the options will normally determine whether or not the option holder exercises the option. At the time any options are exercised and Shares issued pursuant to the exercise of the options, the Company's Shares may be trading on ASX at a price which is higher than the exercise price of the options.
- (h) The options will not be quoted on ASX and as such have no actual market value. Upon vesting, the options are capable of being converted to Shares by payment of the exercise price.
- (i) Under the Company's current circumstances, the Directors consider that the incentive to Mr Larsson represented by the options would be a cost-effective and efficient reward from the Company as opposed to alternative forms of incentives (including the payment of additional cash compensation).
- (j) Mr Larsson currently receives \$489,0237 per annum inclusive of superannuation for fulfilling his role.
- (k) The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the options to Mr Larsson pursuant to Resolution 4.

Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by Resolution 4.

#### **Listing Rule 10.14**

Listing Rule 10.14 provides, in summary, that the approval of shareholders by ordinary resolution is required before any of the following persons can acquire securities under an employee incentive scheme:

- (a) a director;
- (b) an associate of a director; or
- (c) a person whose relationship with the Company or a person referred to in paragraph (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

Mr Larsson is a Director of the Company for the purposes of Listing Rule 10.14.

Accordingly, in order for Mr Larsson to acquire the options and Shares issued on the exercise of the options under the Incentive Plan, the Company must obtain Shareholder approval pursuant to Listing Rule 10.14.

#### **Disclosure Requirements**

Listing Rule 10.15 set out a number of matters which must be included in a notice of meeting seeking shareholder approval under Listing Rule 10.14.

In accordance with Listing Rule 10.15, the following information is disclosed to Shareholders in relation to Resolution 4:

- (a) Mr Larsson is a Director of the Company.
- (b) The maximum number of options that may be granted to Mr Larsson for which approval is required is 400,000. If all 400,000 options vest, Mr Larsson will be entitled to 400,000 Shares.
- (c) The options will be granted to Mr Larsson for no cash consideration as they are being granted as remuneration and incentive in relation to Mr Larsson's services to the Company as Managing Director. Any Shares issued on vesting of the options will be issued for the payment of the exercise price of \$1.00.
- (d) The only person to which Listing Rule 10.14 applies who has received securities under the Incentive Plan since the last approval on 30 May 2012 was Mr Peter Cordin, who was issued 200,000 options for nil consideration as a consequence of that approval.

- (e) As at the date of lodgement of this Notice with ASIC, the only persons other than Mr Larsson who may be a person referred to in Listing Rule 10.14 who are entitled to participate in the Incentive Plan are Mr Peter Cordin (Chairman) and his associates, Mr Peter Gunzburg (Non-Executive Director) and his associates, Mr Christian Russenberger (Non-Executive Director) and his associates, Mr Tapani Järvinen (Non-Executive Director) and his associates, and Mr Markku Mäkelä (Non-Executive Director) and his associates. While the rules of the Incentive Plan allows Non-Executive director's to participate in the plan, the Company's Corporate Governance policy's prohibit the issue of options to Non-Executive Directors.
- (f) The options will be granted within five days of the date of the Meeting (or at least within 12 months from the date of the Meeting) and it is anticipated that the allotment will be on one date.
- (g) The options to be granted to Mr Larsson will not be quoted on ASX. Any Shares issued to Mr Larsson on exercise of the options will rank equally in all respects with all other Shares in the Company and the Company will apply for the Shares to be quoted on ASX.
- (h) The proposed grant of the options to Mr Larsson will be made on the terms and conditions set out above under the heading "The nature of the financial benefit" above and the terms and conditions of the Incentive Plan.
- (i) Details of any securities issued under the Incentive Plan will be published in each annual report of the Company relating to the period in which the securities were issued.
- (j) A voting exclusion statement in respect of Resolution 4 is in this Notice.
- (k) No funds will be raised as a result of the grant of the options.
- (l) No loans will be provided by the Company in the event that the options are exercised by Mr Larsson or his nominees.

## Definitions

In this Explanatory Memorandum and Notice:

**"AGM"** means an annual general meeting of the Company.

**"associate"** has the meaning given in the Corporations Act.

**"ASX"** means Australian Securities Exchange Limited.

**"Board"** means the board of Directors.

**"Chairman"** means the Chairman of the Meeting.

**"Company"** means Dragon Mining Limited ABN 19 009 450 051.

**"Constitution"** means the constitution of the Company.

**"Corporations Act"** means the Corporations Act 2001 (Cth).

**"Director"** means a director of the Company.

**"Explanatory Memorandum"** means the Explanatory Memorandum attached to this Notice.

**"Financial Report"** means the 31 December 2012 Financial Report of the Company, a copy of which was lodged with ASX on 27 March 2012.

**"Incentive Plan"** means the Dragon Mining Group Employees Option Incentive Plan approved by Shareholders on 30 November 2006.

**"Key Management Personnel"** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

**"Listing Rules"** means the official listing rules of ASX, as amended from time to time.

**"Meeting"** has the meaning given in the introductory paragraph of this Notice.

**"Notice"** means this Notice of Meeting.

**"Proxy Form"** means the proxy form attached to this Notice.

**"Remuneration Report"** means the remuneration report of the Company for the year ended 31 December 2012 contained in the Financial Report.

**"Resolution"** means a resolution contained in this Notice.

**"Shares"** means ordinary fully paid shares in the capital of the Company.

**"Shareholder"** means a holder of Shares in the Company.

**"WST"** means Western Standard Time, being the time in Perth, Western Australia.

# Dragon Mining Limited

ABN 19 009 450 051

## Lodge your vote:



### By Mail:

Dragon Mining Limited  
Unit B1 431 Roberts Road  
Subiaco WA 6008

Alternatively you can fax your form to  
(within Australia) (08) 6311 8004  
(outside Australia) +61 8 6311 8004

## For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

000001 000 DRA  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

For your vote to be effective it must be received by 9.00am (WST) Tuesday, 28 May 2013

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form →**



View or update your securityholding, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

Access the annual report:

**[www.dragon-mining.com.au](http://www.dragon-mining.com.au)**

**Your secure access information is:**

**SRN/HIN: I9999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Dragon Mining Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Dragon Mining Limited to be held at Liberty Executive Offices, Swan & Ibis Rooms, Level 14, 197 St Georges Terrace, Perth, Western Australia on Thursday, 30 May 2013 at 9.00am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 by marking the appropriate box in step 2 below.

### STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approve Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Markku Mäkelä as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Toivo Tapani Järvinen as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of grant of options to Mr Kjell Larsson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

\_\_\_\_\_

Contact Daytime Telephone

\_\_\_\_\_

Date / /

\_\_\_\_\_

DRA

999999A

Computershare +