

ASX ANNOUNCEMENT

20 MARCH 2009

FURTHER ON MARKET PURCHASE OF CONVERTIBLE NOTES

A wholly owned subsidiary of Dragon Mining Limited (“Dragon Mining” or the “Company”) has purchased a further 367,200 Dragon Mining Convertible Notes (“Notes”) at an average cost of \$0.8966 per note for a total of \$330,317.98, including costs.

Of the 23,645,289 Notes on issue, 5,783,497 Notes are now held by the subsidiary of Dragon Mining. All Notes remain listed on ASX. Dragon Mining intends on holding these Notes until maturity in February 2011 or in special circumstances on-sell some or all of the Notes.

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

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	On Market 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	5,416,297	367,200
4 Total consideration paid or payable for the shares	\$3,711,833.75	\$330,317.78

+ See chapter 19 for defined terms.

Appendix 3E
Daily share buy-back notice

Before previous day	Previous day
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5	If buy-back is an on-market buy-back	<p>highest price paid: date: \$0.90</p> <p>lowest price paid: date: \$0.65</p>	<p>highest price paid: \$0.90 19/03/2009</p> <p>lowest price paid: \$0.85 19/03/2009</p> <p>highest price allowed under rule 7.33: \$0.91</p>
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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	Not applicable
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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: 20/03/2009
 Managing Director

Print name: Peter G Cordin
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+ See chapter 19 for defined terms.