

ASX ANNOUNCEMENT

11 AUGUST 2014

WITHDRAWAL FROM THE HARPSUND JOINT VENTURE

Dragon Mining Limited announces that, as part of its on-going process to manage available cash and focus on advanced assets that would prolong operational life at its established Production Centres in the near term, it has advised listed Swedish exploration group Botnia Exploration AB ("Botnia") in accordance with the Harpsund Farm-In and Joint Venture Agreement ("Agreement"), that Dragon Mining has relinquished its right to acquire an additional 20% interest in the Harpsund Joint Venture and that it has provided Botnia 30 days' notice of its intention to withdraw, fully from the Harpsund Joint Venture with no retained interest in the project.

Dragon Mining entered into the Agreement with Botnia in October 2010 to earn up to 80% in two contiguous Exploration Permits, which are located approximately 4 kilometres northeast of the Svartliden Gold Mine in northern Sweden, with the staged expenditure of 7.5 million SEK over five years.

For and on behalf of
Dragon Mining Limited