

ASX ANNOUNCEMENT

23 SEPTEMBER 2013

DRAGON MINING EARNS 60% INTEREST IN THE HARPSUND EXPLORATION PERMITS

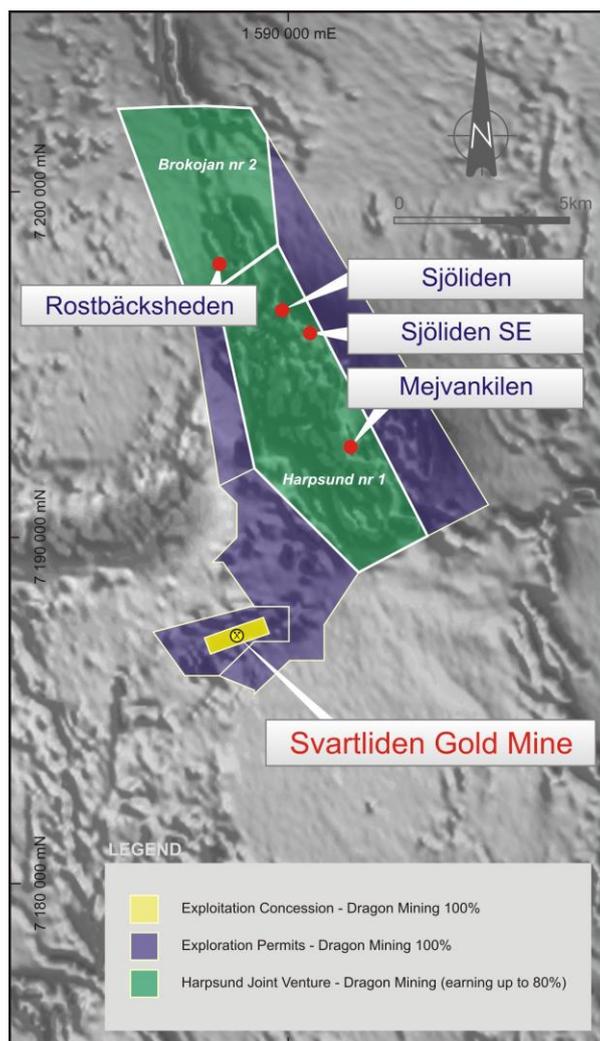
Dragon Mining Limited (ASX:DRA) ("Dragon Mining") is pleased to announce that it has exercised its right in accordance with the Harpsund Farm-in and Joint Venture Agreement with Botnia Exploration AB (BOTX:Stockholm) ("Botnia") to acquire 60% interest in the two Harpsund Exploration Permits, following the expenditure of SEK 4.5 million during the exclusivity and initial earn-in periods. Dragon Mining have also advised Botnia that the Company will advance to the final earn-in phase, whereby Dragon Mining could earn an additional 20% interest in the Exploration Permits with the expenditure of a further SEK 3 million by the 27 October 2015.

The Harpsund area is located immediately adjacent to Dragon Mining's Svartliden Production Centre in northern Sweden, approximately four kilometres northeast of the Svartliden Gold Mine. The two contiguous Exploration Permits Harpsund nr 1 and Brokojan nr 2 encompass an area of 4,423 hectares covering prospective geological sequences similar to those that host the Svartliden gold deposit.

Systematic exploration during the initial earn-in period included a heli-borne geophysical survey, geological mapping, geochemical sampling and diamond core drilling, which collectively have improved the geological and structural understanding of the area and identified anomalous gold in primary rock in four different areas including the Sjöleden target.

Drilling at Sjöleden has returned a number of encouraging results including the previously released intercepts 2.0m @ 14.03 g/t gold, 2.00m @ 8.90 g/t gold and 1.00m @ 12.05 g/t gold.

Dragon Mining entered into the Harpsund Farm-in and Joint Venture Agreement in October 2010 with Botnia to earn up to 80% in Botnia's Exploration Permits in the Harpsund area with the staged expenditure of 7.5 MSEK over 5 years.



For and on behalf of
Dragon Mining Limited

Kjell Larsson
Managing Director

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists and Mr Matti Talikka MSc (Geology), a Member of the Australian Institute of Mining and Metallurgy, who are full time employees of the company and have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Neale Edwards and Mr Matti Talikka consent to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.