

ASX ANNOUNCEMENT

8 FEBRUARY 2018

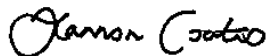
**Update on Appeal against Fäboliden Test Mining Permit and  
Proposed Listing on Stock Exchange of Hong Kong**

On 1 December 2017, Dragon Mining Limited (ASX:DRA) (**Company**) announced that the County Administration Board in Vasterbotten, Sweden (**CAB**) had granted an environmental permit for test mining operations at its Fäboliden Project (**Permit**), subject to a number of conditions. On 29 December 2017, an appeal against the Permit was received from Naturskyddsforeningen, a local nature conservation NGO in Lycksele. As a result, the Permit will not gain legal force until the appeal has been heard and resolved in the Company's favour by the Swedish Land and Environment Court (MMD).

The Company advises that both it and the CAB have subsequently lodged responses to the appeal with the MMD. Both responses dispute the legal and technical basis for the appeal.

The Company continues to assess the implications of the appeal for its planned operations at Svartliden and the timing of the proposed listing on the Stock Exchange of Hong Kong (**HKEx**). Following discussions with the Company's sponsor and Hong Kong legal adviser for the proposed listing on HKEx, the Company is updating the prospectus in preparation for a resubmission to the HKEx. The Company will update the market when this has been completed, and as to the progress of the listing in due course.

Yours faithfully



Shannon Coates  
Company Secretary  
For and on behalf of  
**Dragon Mining Limited**