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**ASX ANNOUNCEMENT**

**05 MAY 2010**

**NO EXPOSURE TO PROPOSED RESOURCE SUPER PROFITS TAX**

Dragon Mining Limited advises that the Government's recently announced Resource Super Profits Tax (RSPT) will not impact the Company's profits or taxable income.

Dragon Mining is a profitable gold miner operating in Sweden and Finland and these operations are subject to local Swedish and Finnish tax laws. In addition, Dragon Mining has gross carried forward tax losses of A\$44 million as at 31 December 2009 which are available to be offset against future taxable income in Sweden and Finland.

Of importance, there are no mining royalties in either Sweden or Finland and the corporate tax rates are 26.3% in Sweden and 26.0% in Finland.

Dragon Mining's average cash cost of production for the March quarter was US\$692 per ounce and was sold at an average price of US\$1,111 per ounce. At 31 March 2010, Dragon Mining had cash and receivables of A\$11.8 million.

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

**Peter G Cordin**  
Executive Chairman