

ASX RELEASE

Dragon Mountain Gold Ltd
ACN: 111 005 282
Suite 4, 62 Ord Street, West Perth WA 6005



7 April 2010

DRAGON MOUNTAIN \$2.0 MILLION PLACEMENT

The Board of Dragon Mountain Gold Limited ("the Company") is pleased to announce a placement of shares to sophisticated investors based in China to raise \$2,000,000 before costs.

The Placement is priced at \$0.20 per share with one free attaching option for every two ordinary shares subscribed for. The options are unlisted and are convertible at \$0.20 cents with an expiry date of 31 March 2011. The shares and options will be allotted to the investors accordingly.

The purpose of the placement is to provide working capital to the Company to further develop its existing Lixian Gold Project in Gansu Province, Central China.

The Board is also pleased to announce that Mr Robert Gardner, the CEO of the Company, has accepted the appointment as Chairman of the Company. Mr Gardner is the founder of the Lixian Gold Project and has extensive experience in China.

Mr Gardner's elevation to Chairman has come as a result of the resignation from the Board of Mr John Hopkins due to his extensive workload on other projects. Mr Hopkins has made a significant contribution to the restructure of the Company which was necessary as a result of the global financial crisis and the Board would like to thank Mr Hopkins and wish him success in his future endeavours.

Mr John Lewis has been appointed to the Board. Mr Lewis is a Chartered Accountant with significant experience in the industry. He is currently the Company Secretary and CFO of the Company and will continue in these roles.

John Lewis
Company Secretary

About Dragon Mountain Gold Limited

- Listed on the Australian Stock Exchange (Code ASX:DMG)
- A gold development and exploration company specialising in China's resource sector.
- Highly skilled management with multinational experience.
- 75% ownership of major, advanced stage Lixian gold project.