

ASX ANNOUNCEMENT

27 OCTOBER 2009

HIGH GRADE GOLD INTERCEPTS FROM THE JOKISIVU GOLD MINE, FINLAND

Dragon Mining Limited is pleased to announce that results from a drill program to test the depth extensions of the Kujankallio deposit and nearby zones of interest have been received. As previously reported open pit mining has recently commenced at Kujankallio.

The results from holes designed to examine approximately 300 metres strike length of the Kujankallio deposit returned multiple significant intercepts, including highlights **2.40m @ 36.50 g/t Au**, **3.75m @ 29.73 g/t Au**, **6.75m @ 13.90 g/t Au**, **3.10m @ 9.08 g/t Au**, **3.95m @ 6.45 g/t Au** and **7.35m @ 6.29 g/t Au**.

Encouraging new intercepts were also received at the Basin 3 prospect, 100m northwest of the open pit. The best intercept from five holes completed in this area was **1.85m @ 22.29 g/t Au**.

All intercepts obtained are listed in Table 1.

Results remain pending for 4 of 13 holes completed in the most recent campaign, the location of these new drill holes (HU/JS-340-352) are displayed in Figure 1.

Commenting on the excellent drilling results Managing Director Peter Cordin noted: "The high grade nature of the drill intercepts is encouraging and strengthens our view that there is potential to extend the mining operations at Jokisivu subject to positive feasibility studies, permitting and other regulatory approvals being granted."

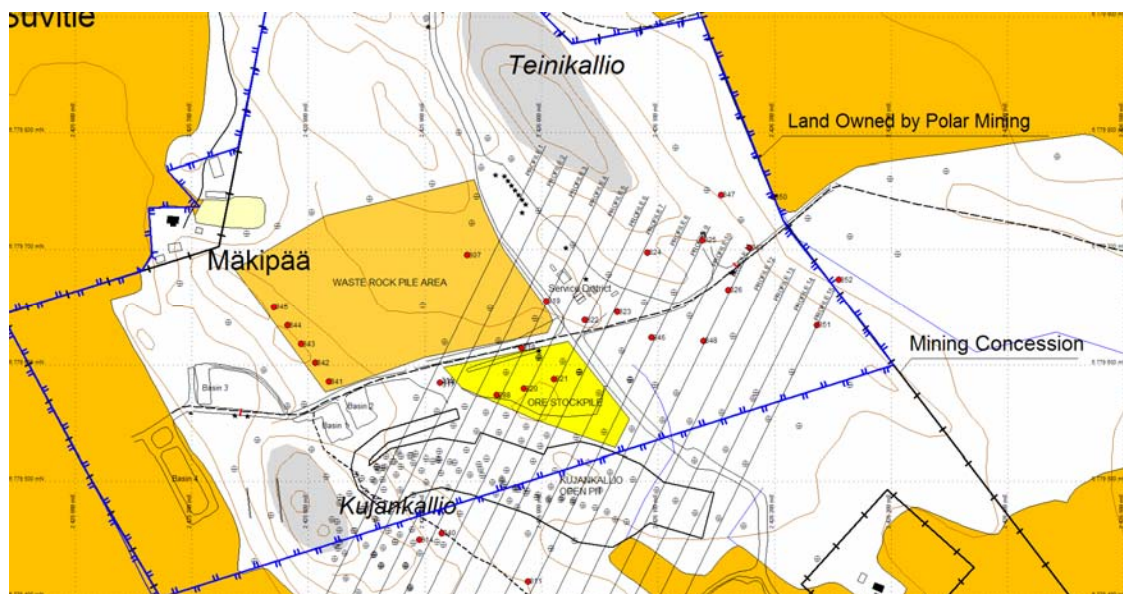


Figure 1 – Jokisivu Layout Displaying Latest Drilling Programs

For and on behalf of
Dragon Mining Limited

Peter G Cordin
Managing Director

Table 1 - New intercepts from diamond drilling at Kujankallio, Jokisivu.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
Kujankallio – Section 4							
HU/JS-318	6779614.79	2425982.83	206.0	-48.0	44.85	1.15	3.68
					104.65	3.90	3.23
					110.25	6.75	13.90
					117.85	0.90	3.28
					136.70	1.05	7.97
					141.65	1.00	1.25
					143.50	4.65	3.36
HU/JS-319	6779655.41	2426003.98	206.0	-49.0	161.10	0.60	9.29
					44.90	1.20	3.09
					92.60	0.80	2.57
					104.05	1.00	1.97
					127.40	1.00	1.34
					153.00	0.70	1.04
					156.40	2.65	1.55
HU/JS-320	6779579.68	2425984.59	206.0	-55.0	204.45	1.20	1.08
					214.90	1.15	6.22
					68.75	1.10	3.18
					76.60	0.90	2.26
					78.40	0.50	2.84
					93.90	0.45	2.18
					163.90	0.50	1.26
HU/JS-321	6779587.85	2426010.79	206.0	-47.0	166.30	0.90	19.58
					168.00	1.65	2.23
					170.65	1.75	3.39
					192.20	1.15	1.94
					196.90	0.75	1.14
					68.35	1.50	3.16
					73.70	2.30	1.30
HU/JS-322	6779638.98	2426036.80	206.0	-52.0	86.70	0.95	1.40
					88.70	2.00	4.11
					91.90	1.10	1.29
					115.80	1.00	1.45
					158.75	1.45	1.27
					195.85	1.30	1.82
					201.10	1.10	2.03
HU/JS-323	6779646.0	2426065.0	206.0	-55.0	205.50	1.30	1.81
					209.00	1.40	1.19
					54.80	0.75	1.55
					106.50	1.05	2.39
					121.10	1.00	1.69
					137.00	1.15	17.68
					150.65	1.60	1.49
HU/JS-324	6779697.34	2426090.84	206.0	-58.0	152.90	0.80	4.03
					188.25	0.75	2.04
					189.90	0.80	14.25
					195.45	7.35	6.29
					210.45	1.00	6.62
					220.30	1.15	17.84
					221.95	1.25	3.36
HU/JS-325	6779697.34	2426090.84	206.0	-58.0	226.65	0.75	3.24
					243.90	0.70	1.04
					114.70	0.60	4.16
					132.70	1.75	5.22
					148.00	0.70	1.09
					200.80	2.00	1.77
					211.90	1.00	2.43
HU/JS-326	6779697.34	2426090.84	206.0	-58.0	218.65	1.00	1.78
					221.30	0.70	1.71
					248.20	0.30	3.16
					249.25	0.50	36.70
					251.75	1.55	28.06
					255.00	1.00	3.39
					38.30	1.20	8.80
HU/JS-327	6779697.34	2426090.84	206.0	-58.0	43.60	1.50	4.22
					123.05	0.90	2.98
					150.35	0.65	1.35
					152.00	1.00	5.48

					192.45	0.45	1.22
					197.85	0.80	1.14
					205.75	1.45	2.50
					214.70	3.95	6.45
					220.70	1.00	1.86
					222.60	1.10	24.30
Kujankallio – Section 9							
HU/JS-325	6779708.00	2426138.12	206.0	-57.0	165.35	1.05	1.37
					235.10	1.00	1.20
					237.10	1.00	1.11
					243.45	1.05	2.28
					256.30	0.40	3.08
Kujankallio – Section 11							
HU/JS-326	6779664,90	2426160,13	206,0	-60,0	148,80	0,50	1,88
					162,90	1,10	2,24
					171,90	0,70	1,07
					190,50	0,45	1,91
					198,00	1,75	1,36
					273,10	1,15	1,40
					297,80	0,70	2,06
					330,10	3,75	29,73
					337,85	1,40	1,17
HU/JS-350	6779745,33	2426198,94	206,0	-66,0	91,85	1,15	8,72
					107,90	1,50	1,45
					220,40	1,05	3,35
					259,70	0,90	1,57
					273,80	0,80	3,50
					300,00	0,85	1,97
					303,85	0,90	2,19
					305,70	1,90	1,28
					326,80	1,10	1,13
					338,90	2,10	1,08
					366,00	0,70	1,21
					372,70	1,00	2,78
Kujankallio – Section 15							
HU/JS-351	6779634,45	2426236,45	206,0	-66,0	187,80	1,00	1,02
					205,60	0,95	1,95
					207,45	0,80	3,26
					208,90	1,00	19,20
					341,10	0,70	1,20
					343,90	0,50	2,36
					353,90	1,10	1,57
HU/JS-352	6779673,72	2426254,98	206,0	-75,0	71,80	0,45	7,38
					218,00	0,75	1,35
					248,90	1,05	1,09
					254,00	0,80	1,64
					258,55	1,55	1,09
					342,85	0,85	2,80
					347,85	0,95	1,06
					351,90	3,10	9,08
					368,00	1,00	1,18
Kujankallio – Horsetail Structure							
HU/JS-311	6779413.99	2425988.26	290.0	-40.0	82.10	1.40	1.56
					125.50	0.50	6.34
					138.60	0.55	3.50
					140.85	2.65	10.15
					144.25	1.35	2.94
					164.60	0.35	5.82
HU/JS-314	6779449.83	2425894.90	290.0	-40.0	34.45	0.65	2.15
					52.95	2.40	36.50
					55.35	0.95	4.15
					94.70	1.00	1.97
HU/JS-340	6779455.76	2425914.38	335.0	-38.0	43.30	1.05	4.59
					59.50	1.00	1.88
					74.35	1.85	18.68
					78.35	0.85	1.11
					85.30	2.00	3.23
					94.30	2.05	1.43
Kujankallio – Basin 3							
HU/JS-341	6779585.76	2425817.55	260.0	-40.0	30.30	0.70	7.14
					52.00	1.05	1.07
					54.00	1.00	1.01
					91.00	1.10	2.87
					93.70	1.00	2.88
					95.60	1.10	2.27

					112.00	1.00	8.03
HU/JS-342	6779601,91	2425805,75	260,0	-40,0	37,90	1,05	1,03
					71,60	0,50	5,61
					74,20	2,00	4,71
					79,35	1,00	1,59
					92,25	1,60	4,69
					96,45	0,80	6,53
					108,30	1,00	4,72
					111,50	3,00	3,80
					115,50	1,00	1,03
HU/JS-343	6779618,06	2425793,95	260,0	-40,0	65,35	1,15	1,51
					85,90	1,10	2,86
					89,90	1,75	3,97
					93,90	1,85	22,29
					104,35	1,10	4,33
					112,95	0,90	1,74
HU/JS-344	6779634,21	2425782,15	260,0	-40,0	48,65	1,65	2,41
					84,20	1,00	1,42
					94,45	0,75	3,02
HU/JS-345	6779650,36	2425770,35	260,0	-40,0	36,70	1,00	1,48
					39,10	0,85	5,16
					59,85	0,60	2,19

Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using procedure Au-AA25 (30g FA with AAS finish) and Au-GRA22 (FA+gravimetric finish), following sample preparation at ALS facility in Outokumpu, Finland. Reported at a 1 g/t Au cut-off.

Jokisivu Gold Mine Background

The Jokisivu Gold Mine is located 40 kilometres southwest of the Vammala Production Centre and hosts a Measured, Indicated and Inferred Resource totalling 325,000 ounces from two deposits 200 metres apart. The Kujankallio deposit has been shown by drilling to extend to at least 525 metres depth, though resource drilling currently extends only down to 440 metres, whilst the Arpolo deposit has only been drilled down to 200 metres. Both deposits remain open with depth and along strike.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves that are not specifically referred to is based on information compiled by Mr Neale Edwards BSc (Hons), a Member of the Australian Institute of Geoscientists and Mr Urpo Kuronen 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 Urpo Kuronen consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.