

ASX ANNOUNCEMENT

23 MARCH 2010

**GOOD DRILLING RESULTS AT THE ORIVESI GOLD MINE, FINLAND
ENCOURAGES DRAGON TO LOOK DEEPER**

Dragon Mining is pleased to announce the receipt of results from a diamond core drilling program, which has targeted the depth extensions of the Sarvisuo deposit at the Orivesi Gold Mine in southern Finland, below the current limit of underground mining. The new intercepts include highlights **28.5m @ 6.03 g/t gold**, **28.15m @ 6.81 g/t gold** and **23.00m @ 12.32 g/t gold**, which were all derived from the extension of Sarvisuo Pipe 2.

The campaign of sub-parallel drilling totalling ten holes was designed to target structures from 540m level to approximately 700m level, with the overall aim of obtaining information that would assist in determining if the Sarvisuo decline and mining should be extended below its current planned base position at 540m level.

Results received are very encouraging highlighting the extension of known pipes, whilst intercepts such as **3.95m @ 4.61 g/t gold** define new deeper mineralisation positions to the west of the existing Sarvisuo pipe cluster. All results received to date are listed in Table 1.

Figure 1 – Significant Drilling Results Below the 540m Level

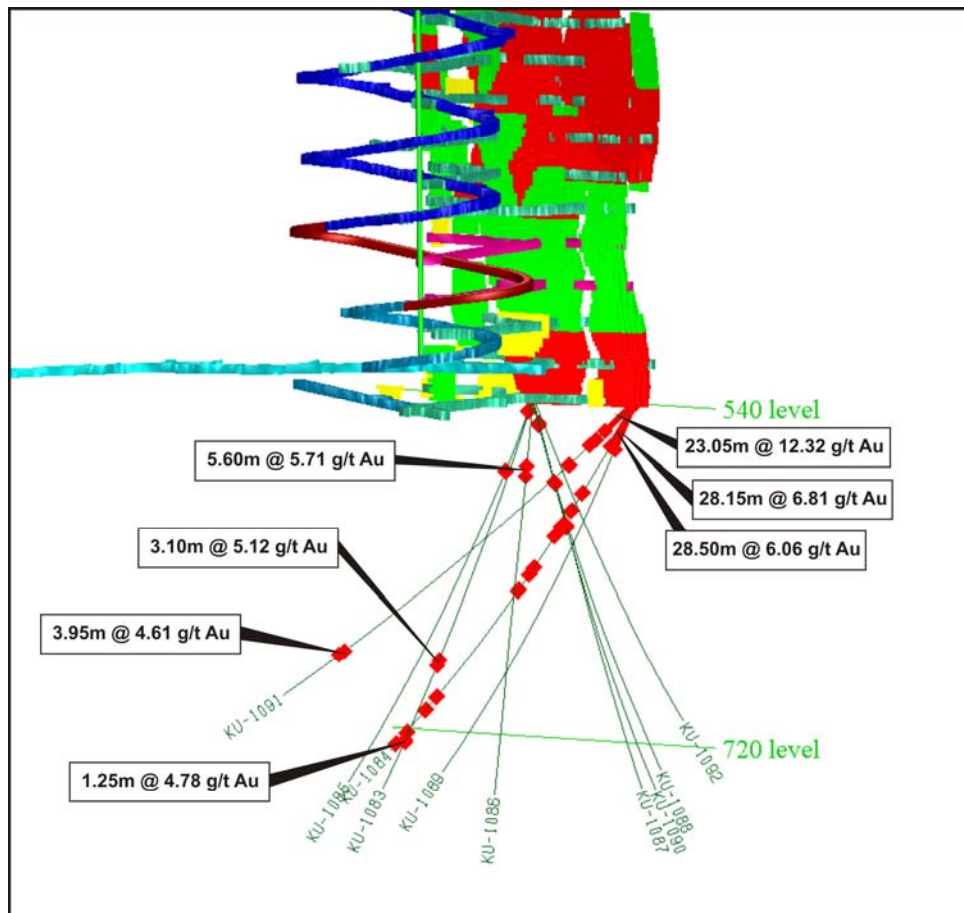


Table 1 - Intercepts from Sarvisuo in the Orivesi Mine. Reported at 1 g/t gold cut-off.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
KU-1083	6833195.30	2497619.52	265.7	-70.1	151.65	3.10	5.12
					Including 0.60m @ 19.35 g/t gold from 154.15m		
					198.75	1.25	4.78
KU-1084	6838576.83	2508918.59	270.4	-56.0	0.20	28.50	6.03
					59.75	0.80	2.11
					72.00	0.90	1.38
					81.85	1.05	1.63
					88.00	2.90	1.91
					112.55	0.75	2.75
					117.35	1.00	1.06
					128.75	1.25	1.22
					211.05	0.95	9.26
					221.50	1.10	1.00
					239.80	0.90	1.01
					249.50	0.90	3.36
KU-1085	6833195.30	2497619.52	239.0	70.0	6.30	0.55	4.70
					40.40	0.75	6.90
KU-1086	6833195.30	2497619.52	164.6	-76.0	35.95	5.60	5.71
					Including 3.05m @ 9.79 g/t gold from 35.95m		
KU-1087	6833195.30	2497619.52	98.2	-69.0	46.40	1.35	1.94
					71.15	1.20	1.16
KU-1088	6838580.39	2508849.18	11.2	-71.3	13.80	0.95	1.16
KU-1089	6838575.86	2508917.93	256.4	-66.2	0.20	28.15	6.81
KU-1090	6838580.16	2508849.24	76.6	-74.2	No significant intercepts		
KU-1091	6838575.67	2508918.09	262.4	-41.9	0.20	23.00	12.32
					30.25	4.70	2.83
					51.25	0.75	1.08
					221.00	3.95	4.61
KU-1092	6838580.34	2508850.56	91.1	-64.5	Results Pending		

Analysis of whole core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using procedure Au-AA25/Au-AA26 (30g/50g FA with AAS finish) and Au-GRA22 (FA+gravimetric finish), following sample preparation at ALS facility in Outokumpu, Finland.

Dragon Mining will commence a detailed diamond drilling program to define a 60 metre panel of mineralisation below 540m level. A decision to proceed with deeper development would provide new drill positions to further examine the Sarvisuo depth extensions from 600m to 700m levels and new deeper mineralisation positions to the west of the existing pipe cluster.

The Company confirms that the ex-date for the forthcoming Convertible Note interest payment is 25 March 2010.

For and on behalf of
Dragon Mining Limited

Peter G Cordin
Managing Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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.