QUARTERLY ACTIVITIES REPORT

For the Quarter Ended 31 March 2010

HIGHLIGHTS

OPERATIONS

- Gold production for the Dragon Mining Group of 15,530 ounces at an average cash cost of US$692 per ounce.
- Svartliden, Sweden gold production of 9,368 ounces at an average cash cost of US$620 per ounce. Pre-stripping commenced for the eastern extension of the open pit.
- Vammala, Finland gold production of 6,162 ounces at an average cash cost of US$805 per ounce (including refining costs of US$155 per ounce). Ore was sourced from both the Orivesi and Jokisivu Gold Mines.

DEVELOPMENT

- A new Mineral Resource of **292,000 tonnes @ 7.3 g/t gold** (depleted to 31 December 2009) was completed for the Sarvisuo deposit at the Orivesi Gold Mine resulting in a 6% increase in ounces (68,700) and an 8% decrease in tonnes from the previous resource estimate completed in June 2009.
- Very encouraging intercepts were received from sub-parallel drilling at Sarvisuo including **28.5m @ 6.03 g/t gold, 28.15m @ 6.81 g/t gold** and **23.00m @ 12.32 g/t gold.** These results will assist in determining if the Sarvisuo decline and mining will be extended below the 540m level.
- A new Mineral Resource was completed for the Kujankallio deposit at the Jokisivu Gold Mine of **1.34 million tonnes @ 6.1 g/t gold** for **261,900 ounces.** This represents a 25% increase in tonnes and a 20% increase in contained gold compared to the resource estimate completed in January 2009.
- An infill drilling program at the Arpola deposit at the Jokisivu Gold Mine returned very encouraging results including **2.0m @ 15.08 g/t gold, 4.10m @ 7.71 g/t gold, 4.40m @ 24.02 g/t, 3.10m @ 7.08 g/t gold, 3.25m @ 8.11 g/t gold** and **2.85m @ 45.92 g/t gold**. This program was designed to enable an update of the Arpola Mineral Resource and to complement studies to determine the viability of developing an underground operation at the Jokisivu Gold Mine. Indications are that the transition underground, encompassing both the Kujankallio and Arpola deposits, could commence early in 2011.

EXPLORATION

- An aggressive exploration program commenced at Svartliden, with the objective of 22,000 metres of drilling being completed over the next twelve months. This program has been designed to potentially extend mine life at Svartliden beyond 2014. Much of the drilling will target the depth extensions, a portion of which is currently subject to an internal study in preparation for underground development which is expected to commence in 2010.

CORPORATE

- As at 31 March 2010, Dragon Mining held $7.6m in cash and gold bullion, $4.2m in net gold concentrate receivables and $3.8m in cash deposits for the Swedish rehabilitation bonds.
- Gross cash inflow from operations for the quarter was $6.2m.
- A wholly owned subsidiary of Dragon Mining purchased 486,800 Dragon Mining Convertible Notes (DRAG) during the quarter. Of the 23,645,289 Notes on issue, 12,531,935 Notes are now held by the subsidiary and the liability associated with the outstanding Notes (not held by the subsidiary) is $11.7m.
- The average cash price received per ounce of gold sold (10,212 ounces) from Svartliden was US$1,116 and the average sales price received per ounce of gold sold (5,427 ounces) from Vammala was US$1,104.

INVESTMENTS

- An option was granted to Chalice Gold Mines Limited to purchase the Company's 20% interest in the Zara Gold Project, Eritrea for a total consideration of up to $16.2 million. Chalice can exercise the option anytime up until 30 June 2010 by paying $8 million cash and issuing to Dragon Mining 2 million Chalice shares (current market value of $0.8 million) with an escrow period of 12 months. In addition, Chalice has agreed to pay a further $4 million cash to Dragon Mining on the delineation of 1 million ounces of gold Reserves at the Zara Gold Project. Further, Dragon Mining will be relieved of any debt to Chalice at the completion of the Bankable Feasibility Study which is estimated to be $3.4million.
- Weld Range Metals has continued to evaluate various capital raising opportunities to fund the scoping and feasibility studies for the Weld Range Stainless Steel project. Preparation to recommence exploration activities on the Weld Range Project area has commenced. The initial target area is located within the central portion of the 63.5 million tonnes chromium laterite resource, where 474 drill holes are proposed to upgrade a portion of the Inferred Resource to Measured/Indicated status in preparation for the commencement of a feasibility study.

OPERATIONS

SWEDEN

Svartliden

Table 1 – Production Summary

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Plant Utilisation (%)	Total Gold Production (Ounces)	Cash Cost US/oz
Mar 2010 Quarter	74,223	84,192	3.7	92.9	98.0	9,368	620
Dec 2009 Quarter	97,940	87,966	4.0	87.0	94.9	9,907	617

The operation had no lost time injuries during the quarter.

Svartliden produced 9,368 ounces of gold from 84,192 tonnes of ore milled at a head grade of 3.7 g/t and a cash cost of US$620 per ounce.

Ore mined was 74,223 tonnes at an average grade of 4.1 g/t. Mining was carried out predominately from the eastern pit and eastern extension. Ore mined was below forecast due to inadequate short term grade control coverage as the drilling rig was unable to operate in the extreme cold weather conditions experienced in January and February. Increased grade control drilling completed in March, will result in better coverage for mining.

Pre-stripping commenced for the eastern extension of the open pit where better than expected infill drilling results enabled the open pit to be extended. A significant portion of the prestrip material is being used to rehabilitate waste rock stockpiles and minimise water runoff.

The Western Part of the Waste Rock Dump Being Covered by Till

Recoveries have returned to acceptable levels by maintaining a lower throughput and with an increase in oxygen and cyanide, along with achieving higher mill power levels.

The process plant utilisation was as forecast at 98%. The downtime was related to planned maintenance stops to conduct minor works.
Work was completed on a new operating licence application which includes the future underground mining operation and new environmental conditions. The application is ready to be lodged with the Environmental Court but awaits a minor amendment to the existing operating licence. Authorisation to undertake 100,000 tonnes of test mining and 1,000 metres of decline development work has been previously permitted under the current operating licence.

The Indicated and Inferred underground resource containing 312,000 tonnes @ 7.1 g/t continues to be evaluated with a decision to commence underground development expected in June 2010.

FINLAND

Vammala Production Centre

Table 2 – Production Summary

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Plant Utilisation (%)	Total Gold Production (Ounces)	Cash Cost US/oz
Mar 2010 Quarter	68,948	60,872	3.8	81.5	93.4	6,162	805
Dec 2009 Quarter	67,761	54,422	5.1	84.0	96.0	7,517	662

There were two lost time injuries during the quarter. At Vammala a crusher operator slipped on an icy plant yard and injured his knee and at Orivesi a miner fell from a drilling rig while cleaning the windscreen and injured his back.

Production at Vammala was 6,162 ounces of gold from 60,872 tonnes of ore milled at a head grade of 3.9 g/t and an average cash cost of US$805 per ounce (including refining costs of US$155 per ounce). 43,103 tonnes of ore at a head grade of 3.8 g/t gold was sourced from the Orivesi Gold Mine and 17,769 tonnes of ore at a head grade of 3.6 g/t gold was sourced from the Jokisivu Gold Mine.

Throughput was adversely effected by the extreme cold weather and snow experienced in January and February. Ore regularly froze in storage bins and water froze in the tailings pond requiring process water to be sourced from other locations. This restricted plant throughput and additional manpower was required to maintain and operate the plant. The winter in Finland was one of the coldest experienced in recent history.

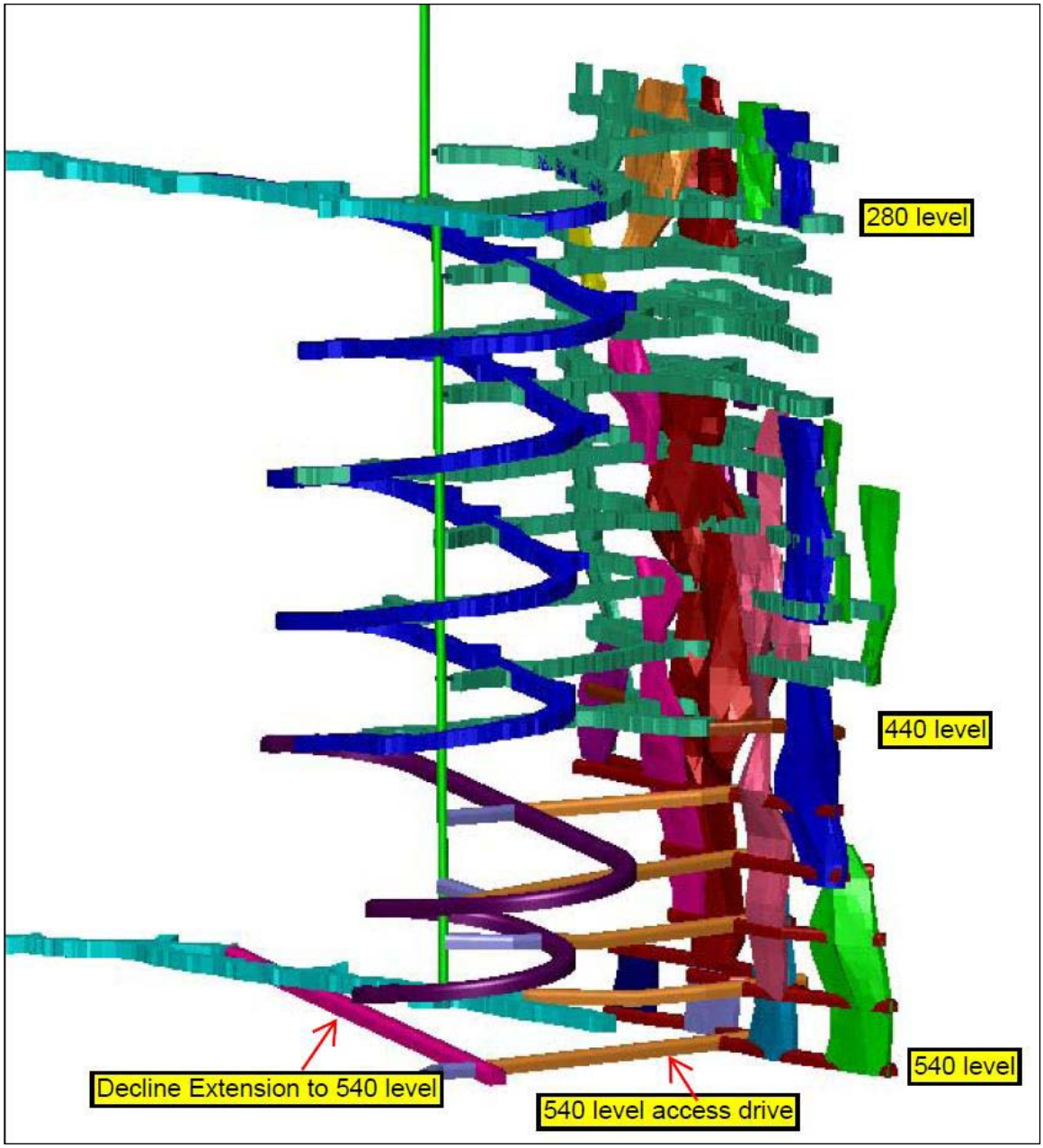
Orivesi Gold Mine

48,488 tonnes of ore was mined predominately from the Sarvisuo ore lodes including 4,496 tonnes from the first stope at the 520m level. Development of the Sarvisuo extension from the 440m to 540m levels will be completed in April.

Orivesi ore stockpiles increased to 24,958 tonnes grading 4.00 g/t gold.

Production for the quarter was additionally hindered by a head grade lower than forecast. This was due to a change in the mining plan as a result of the discovery of additional ore in mining areas. 1,520 more tonnes were mined than originally planned but at a lower grade. The grade is expected to increase to 5.5 g/t for the next quarter.

Sarvisuo Ore Lode System and Decline



Jokisivu Gold Mine

In the March quarter 20,460 tonnes of ore grading 3.98 g/t and 238,527 tonnes of waste were mined from the Kujankallio open pit. The Jokisivu stockpiles increased to 24,958 tonnes grading 4.0 g/t gold.

DEVELOPMENT

FINLAND

Orivesi Gold Mine

Independent consultants Runge Limited completed an audit of the internal Sarvisuo resource. The new Sarvisuo Mineral Resource of **292,000 tonnes @ 7.3 g/t gold** depleted to 31 December 2009 represents an approximate 6% increase in ounces and 8% decrease in tonnes from the previous resource estimate completed in June 2009.

Table 3 - Sarvisuo Mineral Resource. Reported at a 3.0 g/t gold cut-off. (Resource Notation - 1)

	Tonnes	Gold (g/t)	Ounces
Measured	148,000	8.0	38,100
Indicated	90,000	5.9	17,000
Inferred	55,000	7.8	13,600
Total	**292,000**	**7.3**	**68,700**

The resource was estimated by Inverse Distance Squared (ID2) grade interpolation, constrained by resource outlines on mineralisation envelopes prepared using a nominal 0.5 g/t gold cut-off and a minimum down hole length of 2 metres. Block dimensions used in the model were 10m EW x 2m NS x 10m vertical. A high grade cut of 70 g/t was utilised and gold tonnage distributions were subdivided by JORC Code categories.The updated Mineral Resource estimate complies with recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC).

A total of 1,841.10 metres (15 holes) of diamond drilling was completed at the Orivesi Gold Mine. The objective of the drilling was to test structures with sub-parallel drill holes between the 540m and 700m levels at Sarvisuo, target a zone between the 520m and 540m levels at Sarvisuo, and test an area on the 550m level at Kutema.

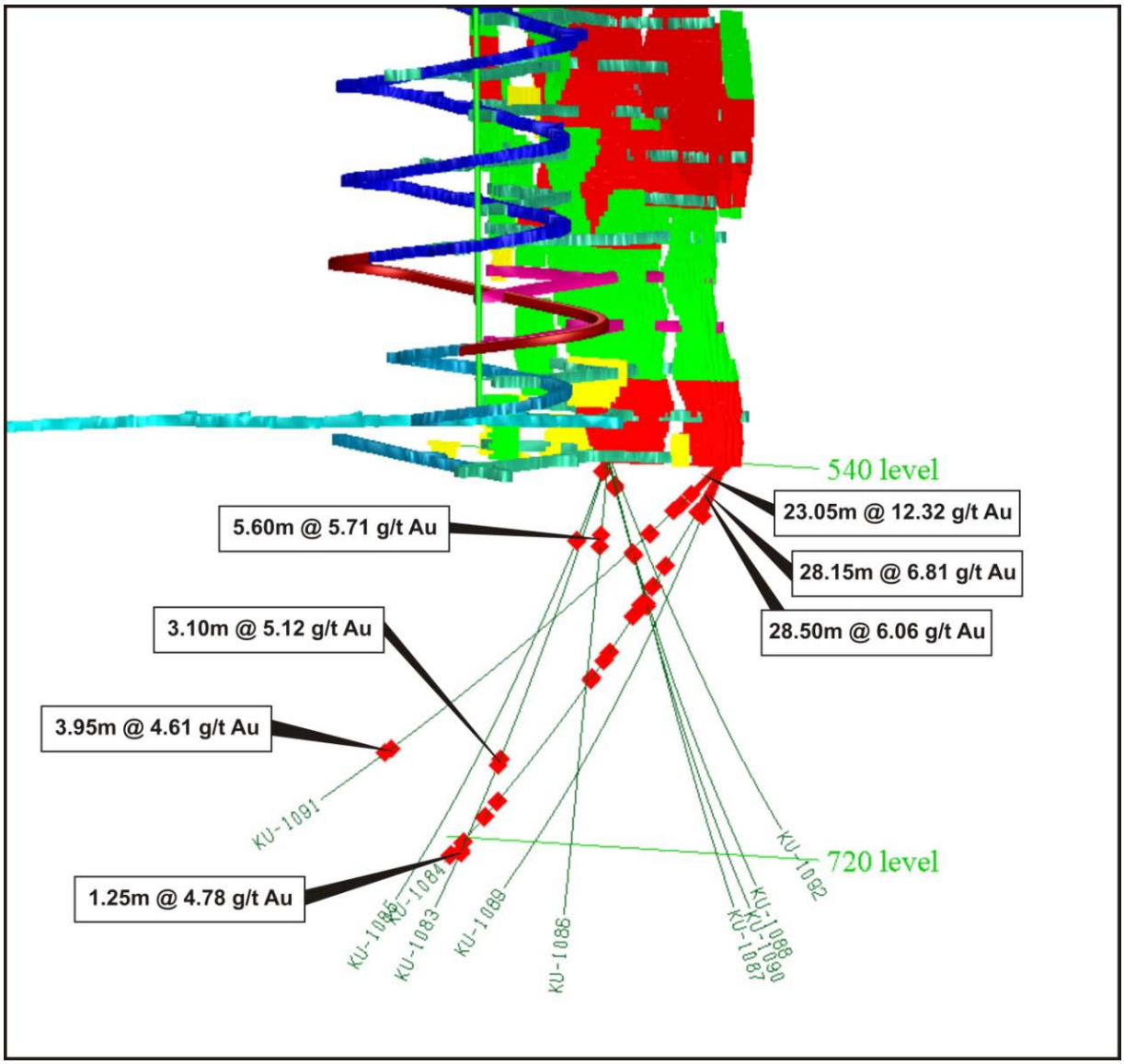
Four sub-parallel drill holes which were completed to the 700m level were the final holes of a ten hole program, which commenced in late 2009. The program was planned with to obtain information to assist in determining possible future extensions of mining at Sarvisuo. Better intercepts obtained include **28.5m @ 6.03 g/t gold, 28.15m @ 6.81 g/t gold** and **23.00m @ 12.32 g/t gold,** which were from the extension of Sarvisuo Pipe 2.

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

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

Results were received for six shallow holes (Listed in Appendix 2) completed from 520m level at Sarvisuo, returning a number of narrow intercepts including the higher grade **1.50m @ 13.01 g/t gold**.

Significant drilling results from sub-parallel drilling below the 540m level at Sarvisuo.



Results from the five holes completed at Kutema to test an area on the 550m level remain pending.

Jokisivu Gold Mine

Independent consultants Runge Limited completed an update of the gold resources for the Kujankallio gold deposit. The new Mineral Resource estimate totals **1.34 million tonnes** @ **6.1 g/t gold** for **261,900 ounces**, and represents a 25% increase in tonnes and a 20% increase in contained gold when compared to the resource estimate completed in January 2009 of 1.08 million tonnes @ 6.3 g/t gold.

Table 4 – Kujankallio Mineral Resource. Reported at a 2.0 g/t gold cut-off. (Resource Notation - 1)

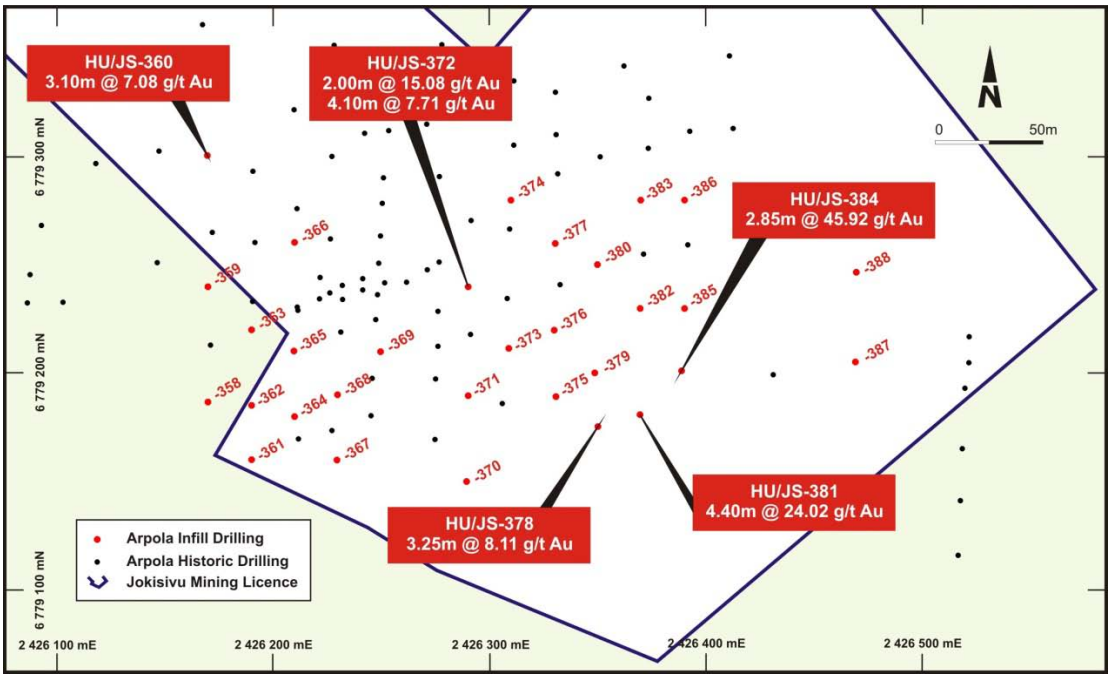
	Tonnes	Gold (g/t)	Ounces
Measured	58,000	5.3	9,800
Indicated	566,000	5.5	100,300
Inferred	717,000	6.6	151,900
Total	**1,341,000**	**6.1**	**261,900**

The resource was estimated by Inverse Distance grade interpolation, constrained by resource outlines on mineralisation envelopes prepared using a nominal 1 g/t gold cut-off and a minimum down hole length of 2 metres. Block dimensions used in the model were 2m NS x 5m EW x 5m vertical. High grade cuts of 75 g/t and 105 g/t were utilised and gold tonnage distributions were subdivided by JORC Code categories.The updated Mineral Resource estimate complies with recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC).

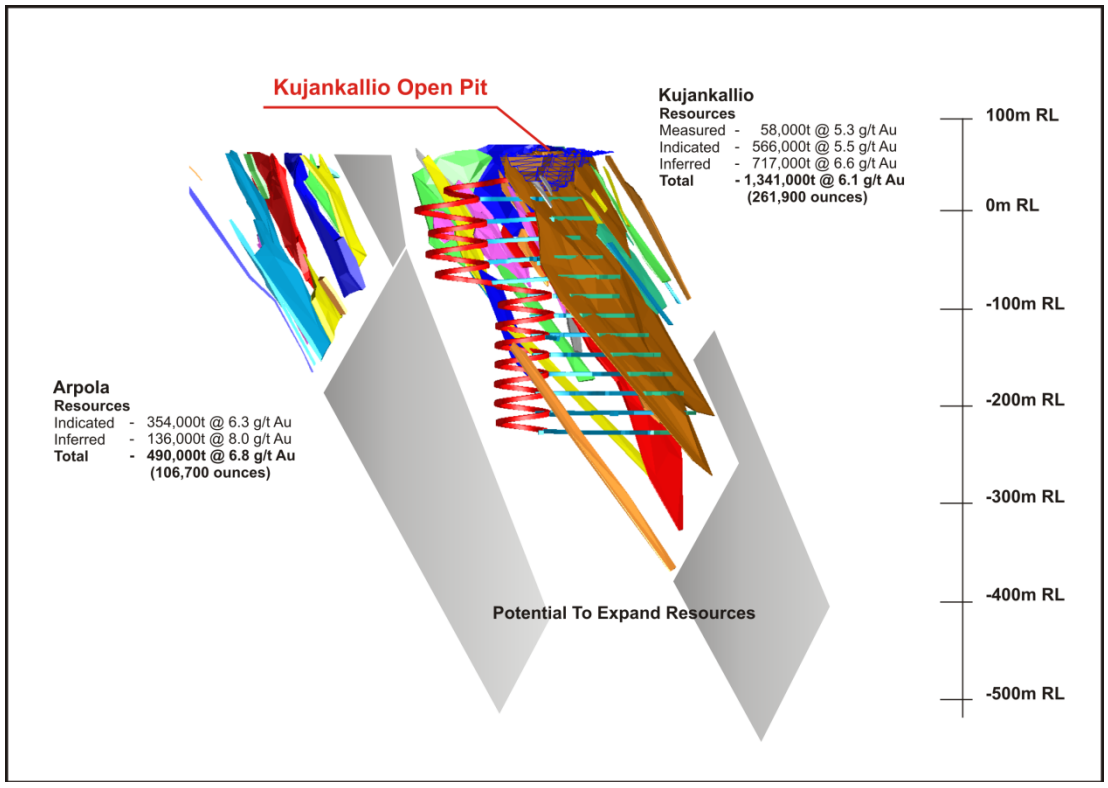
The final seven holes of the 31 hole, 4,312.4 metre infill program at Arpola were completed for an advance of 811.5 metres. All results have now been received and are listed in Appendix 3, the highlights including high grade intercepts **2.0m @ 15.08 g/t gold, 4.10m @ 7.71 g/t gold, 4.40m @ 24.02 g/t, 3.10m @ 7.08 g/t gold, 3.25m @ 8.11 g/t gold** and **2.85m @ 45.92 g/t gold**. This program was designed to update the Arpola Mineral Resource and to complement studies to determine the viability of developing an underground operation at the Jokisivu Gold Mine. Early indications are that a transition underground, encompassing both the Kujankallio and Arpola deposits could commence late in 2010.

An update of the Arpola Mineral Resource has commenced.

Intercept highlights from infill drilling at Arpola.



The final results from the infill drilling of the Kujankallio deposit, which returned previously reported intercepts of 3.65m @ 5.70 g/t gold, 3.75m @ 29.73 g/t gold, 2.20m @ 5.79 g/t gold and 3.10m @ 9.08 g/t gold were received. Better results from this final batch of assays included a high grade intercept of **2.05m @ 12.16 g/t gold**. Results are provided in Appendix 4.



EXPLORATION

SWEDEN

Svartliden Gold Mine

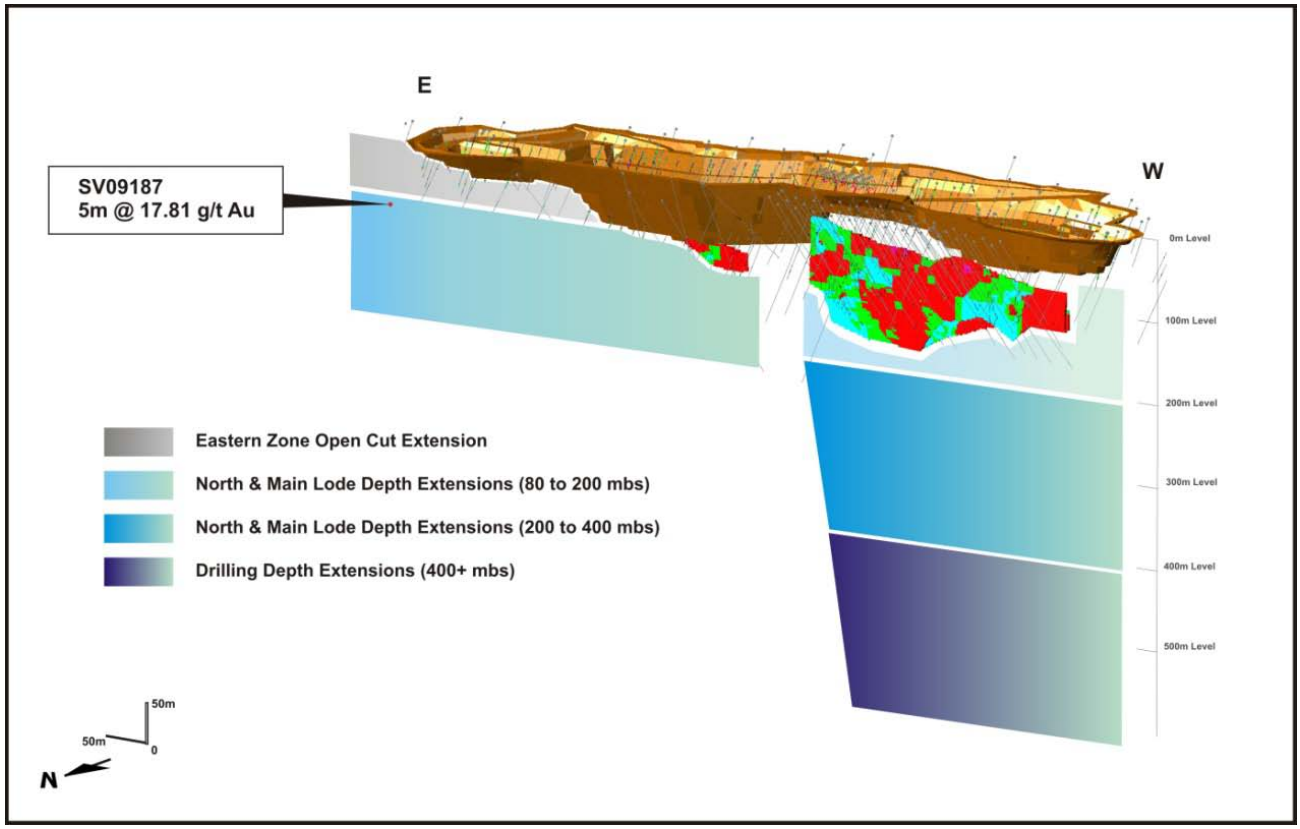
Two diamond core drilling programs commenced at the Svartliden Gold Mine.

The first program of 12 holes was carried out from the pit floor, targeting a higher grade zone modelled on the southern edge of the open pit, identified by grade control drilling. The position of the zone was not well defined and the recently completed 502.5 metre program between Profiles 1850 and 2000 will provide greater confidence for future mine studies. Results from this program remain pending.

A 33 drill hole program totalling 4,600 metres, designed to test the eastern zone open cut extensions commenced and by 31 March 1,167.7 metres (8 holes) had been completed. Core logging is in progress, with the first set of results from analysis expected during the next quarter.

These programs represent the commencement of an aggressive strategy at Svartliden, with the objective of 22,000 metres of drilling being completed over the next twelve months. This program has been designed to potentially extend mine life at Svartliden beyond 2014. Much of the drilling will target the depth extensions, a portion of which is currently subject to an internal study in preparation for underground development which is expected to commence in 2010.

Svartliden - Highlighting Further Depth Potential



Encouraging anomalous gold results were received for samples from a shallow reconnaissance drilling profile completed 300 metres west of the western extent of the Svartliden open pit, which targeted a prominent bedrock chip gold anomaly. Results for multi-element analysis remain pending and upon receipt of these results a detailed evaluation will be completed.

Svartliden Gold Mine – Regional

Gold results for samples from an infill profile of bedrock geochemical drilling undertaken in the Svartliden West area and for the completed portion of the bedrock geochemical drilling carried out in the Tallberget area were poor. Results for multi-element analysis remain pending and upon receipt of these results the areas will be subject to interpretation prior to planning of exploration programs for the coming field season.

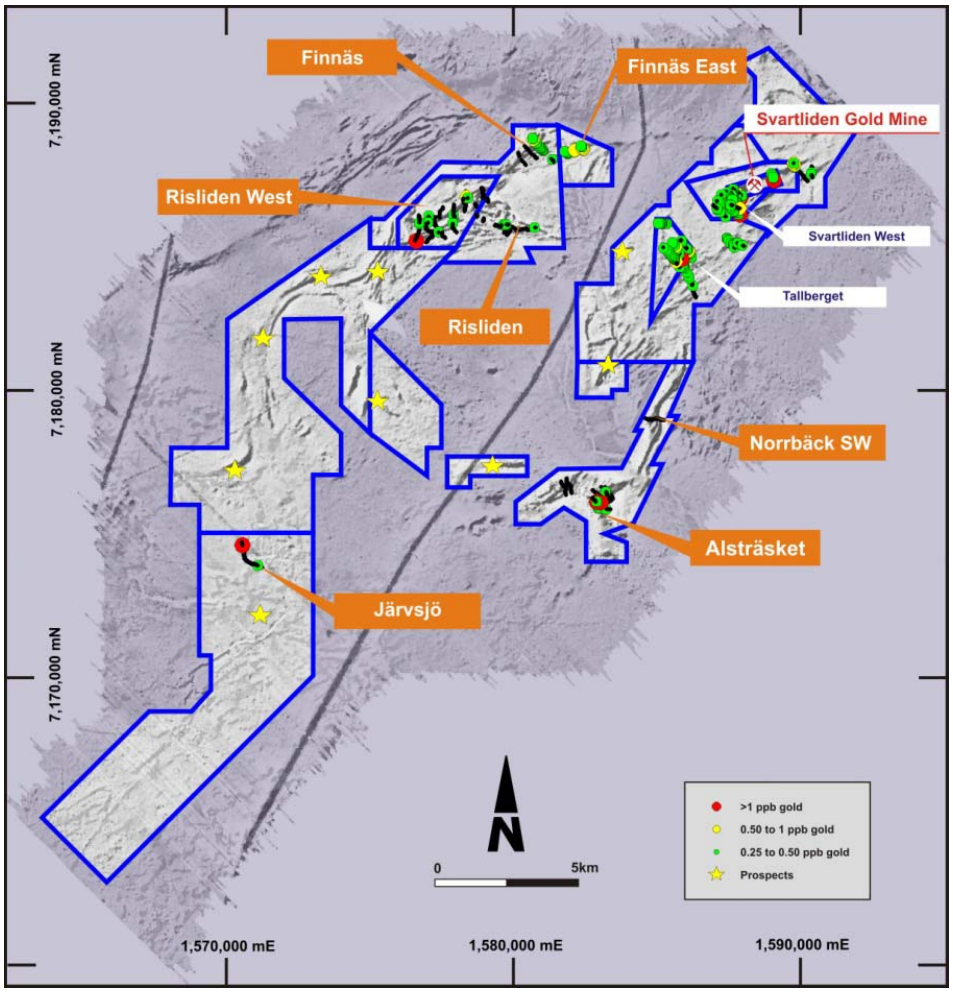
The interpretation of the 2009 geochemical program commenced following receipt of final assays. The gold results from the Finnäs East prospect appear most encouraging. Although the levels are lower than at other

prospects, the consistency of the results across four lines ensures that this area remains one of the higher priority targets for further work. The results from Norrbäck SW were disappointing as anticipated due to the boggy nature of the terrain and the area requires the implementation of a bedrock geochemical drilling program to properly determine the merits of this target.

Gold results from the Alsträsket area were positive, returning the highest value obtained from all MMI work completed to date. Results from the Risliden West area are spotty but encouraging, in particular towards the southern end of the area, whilst the Risliden and Finnäs areas returned lower order results.

Interpretation work will continue over the coming months, in preparation for the planning of summer field programs.

Active Exploration Areas, Highlighting Geochemical Results



FINLAND

Kaapelinkulma Gold Project

A total of 1,612.7 metres (17 holes) of a 4,228 metre (43 holes) drill program designed to follow-up on previously announced high grade intercepts 4.55m @ 13.80 g/t gold and 9.95m @ 46.28 g/t gold were completed at the Kaapelinkulma Gold Project.

The full program will result in drilling 19 Profiles to infill and extend existing resources, planned with the aim of raising the resource categories to Measured/Indicated in preparation for mining studies.

Results of holes completed to date are pending.

Hanhimaa Gold Project

A review of the results from the 2009 summer geochemical surveys commenced highlighting several gold and pathfinder anomalies in the Kiimakuusikko area, a gold and pathfinder anomaly on top of N-S trending structural feature at Jaukkaran Alahäntä in the eastern most portion of the project area; and good correlation between Ionic Leach and ICP results, in particular arsenic and silver. Further interpretation of results will be undertaken during coming months.

INVESTMENTS

ERITREA

Zara Joint Venture (20% Interest)

In March, Dragon Mining granted an option to Chalice Gold Mines Limited ("Chalice") to purchase the Company's 20% interest in the Zara Gold Project, Eritrea for a total consideration of up to $16.2 million.

Chalice can exercise the option anytime up until 30 June 2010 by paying $8 million cash and issuing to Dragon Mining 2 million Chalice shares (current market value of $0.8 million) with an escrow period of 12 months.

In addition, Chalice has agreed to pay a further $4 million cash to Dragon Mining on the delineation of 1 million ounces of gold Reserves at the Zara Gold Project. Further, Dragon Mining will be relieved of any debt to Chalice at the completion of the Bankable Feasibility Study which is estimated to be $3.4m.

A refundable deposit of $250,000 was received.

Refer to the March 2010 quarterly report of Chalice released on 20 April 2010 for an update on the Zara Joint Venture.

AUSTRALIA

Weld Range Metals Limited (Dragon 40%)

Weld Range Metals has continued to evaluate various capital raising opportunities to fund the scoping and feasibility studies for the Weld Range Stainless Steel project.

Dragon was advised that preparation to recommence exploration activities on the Weld Range Project area has commenced. The initial target area is located within the central portion of the 63.5 million tonnes chromium laterite resource, where 474 drill holes are proposed to upgrade a portion of the Inferred Resource to Measured/Indicated status in preparation for the commencement of a feasibility study.

FINLAND

Kuhmo Nickel Joint Venture (5% Free Carried Interest)

ASX listed Universal Resources Limited (ASX Code: URL) has not advised Dragon Mining on the progress of Kuhmo Nickel Joint Venture for the quarter.

CORPORATE

Cash Balances and Movements

As at 31 March 2010, Dragon Mining held $7.6m in cash and bullion, $4.2m in net gold concentrate receivables, and $3.8m of cash deposits lodged with Swedish authorities as rehabilitation bonds.

The principal movements in the cash balance during the quarter were attributable to:

Operating Cash flows	$(m)
Gross cash inflows from operations	7.1
Cash outflows for rehabilitation bonds, overhead and operational support costs	(0.9)
Net operating cash flows	***6.2***
Investing Cash flows	
Exploration expenditure	(1.6)
Development expenditure	(0.3)
Deposit received from Chalice Gold Mines	0.3
Capital purchases	(0.9)
Buyback of convertible notes	(0.5)
Net investing cash flows	***(3.0)***
Financing Cash flows	
Factoring of gold concentrate	0.6
Net interest paid	(0.3)
Foreign exchange losses on cash balances held in foreign currency	(0.1)
Net financing cash flows	***0.2***
INCREASE IN CASH	***3.4***

Gold Sales

10,212 ounces of gold production from Svartliden was sold at an average cash price of US$1,116 per ounce.

5,427 ounces of gold concentrate from the Vammala Production Centre was sold at an average price of US$1,104 (gross of refining costs).

Hedging

The Company remains unhedged.

Convertible Notes

During the quarter, a wholly owned subsidiary purchased 486,800 Dragon Mining Convertible Notes (“Notes”) at an average price of $1.00 per note for a total of $0.5m, including costs.

Of the 23,645,289 Notes on issue, 12,531,935 Notes are now held by the subsidiary and the outstanding liability associated with the Notes is $11.7m.

All the Notes remain listed on ASX and Dragon Mining intends holding these Notes until maturity in February 2011 or in special circumstances may on sell some or all of the Notes.

Factoring

As there is a minimum six week delay between shipment of gold concentrate produced at the Vammala Production Centre and payment by the refiner, the Company has a receivables facility (factoring) with Nordea Bank in Finland. Dragon Mining can receive loan funds from Nordea for up to 75% of gold concentrate delivered and invoiced. At the end of the quarter, $0.6m had been financed.

Appendix 1 - Intercepts from sub-parallel drilling at Sarvisuo, Orivesi. 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 0.60 metres @ 19.35g/t gold from 154.15 metres				
					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 3.05 metres @ 9.79g/t gold from 35.95 metres				
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	No significant intercepts		

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.

Appendix 2 - Intercepts from 520m level drilling at Sarvisuo, Orivesi. Reported at 1 g/t gold cut-off.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
KU-1097	6838574.35	2508787.69	217.9	-24.9	33.45	1.45	3.79
KU-1098	6838574.30	2508788.14	204.2	-32.7	No significant intercepts		
KU-1099	6838574.41	2508787.72	195.0	-27.4	11.00	1.00	5.44
					25.00	1.20	2.39
KU-1115	6838576.87	2508807.02	180.6	-26.7	26.00	1.00	1.20
KU-1116	6838577.73	2508813.86	180.3	-33.9	21.00	1.50	13.01
KU-1117	6838578.15	2508818.88	180.2	-27.7	No significant intercepts		

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.

Appendix 3 - Intercepts from diamond drilling at Arpola, Jokisivu. Reported at 1 g/t gold cut-off.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
Arpola – Section 2426170E							
HU/JS-358	6779186.54	2426170.00	180.0	-56.0	6.40	2.15	5.31
					12.20	2.00	7.44
					18.50	0.80	3.33
					38.50	0.95	2.89
HU/JS-359	6779240.00	2426170.00	180.0	-57.0	51.00	0.70	2.58
					56.70	1.10	34.80
					96.00	1.50	1.17
HU/JS-360	6779300.00	2426170.00	180.0	-61.0	25.80	1.20	1.11
					43.90	3.10	7.08
			Including 0.80 metres @ 24.40 g/t gold from 46.20 metres				
					98.00	0.80	1.58
					104.30	1.50	1.06
					132.45	1.70	1.54
					56.70	1.10	34.80
Arpola – Section 2426190E							
HU/JS-361	6779160.00	2426190.00	180.0	-41.0	No significant intercepts		
HU/JS-362	6779185.00	2426190.00	180.0	-45.0	1.40	1.05	3.65
					14.65	1.75	9.54
			Including 0.40 metres @ 38.40 g/t gold from 16.00 metres				
			includes		16.00	0.40	38.40
					18.95	0.85	1.58
					21.20	0.45	45.10
					22.75	1.00	2.42
					39.85	2.10	3.16
HU/JS-363	6779220.00	2426190.00	180.0	-45.0	13.20	1.05	1.03
					20.60	2.90	1.56
					26.60	4.40	2.43
					40.15	1.00	3.30
					47.65	0.80	6.98
					52.30	2.40	2.39
					64.60	1.50	5.86
Arpola – Section 2426210E							
HU/JS-364	6779180.00	2426210.00	180.0	-46.0	12.00	1.00	3.26
					20.00	1.20	4.69
					41.50	1.00	1.20
HU/JS-365	6779210.00	2426210.00	180.0	-46.0	1.10	1.10	2.44
					10.10	0.60	1.20
					36.45	0.85	10.05
					39.20	1.10	1.59
					44.00	1.20	3.22
					67.75	0.95	1.83
HU/JS-366	6779260.00	2426210.00	180.0	-53.0	2.10	1.00	1.69
					10.25	0.65	3.46
					35.40	0.90	1.20
					48.30	0.90	2.19

					58.60	3.90	3.37
					65.70	0.95	1.59
					68.80	1.10	1.67
					82.10	0.65	3.48
					107.50	1.50	1.04
Arpola – Section 2426230E							
HU/JS-367	6779160.00	2426230.00	180.0	-46.0	22.55	0.35	50.90
HU/JS-368	6779190.00	2426230.00	180.0	-46.0	5.60	0.95	1.39
Arpola – Section 2426250mE							
HU/JS-369	6779210.00	2426250.00	180.0	-47.0	32.80	0.95	1.27
					40.00	1.55	7.61
					46.00	0.55	4.72
Arpola – Section 2426290mE							
HU/JS-370	6779150.00	2426290.00	180.0	-55.0	No significant intercepts		
HU/JS-371	6779190.00	2426290.00	180.0	-53.0	35.65	1.00	2.20
					79.20	1.30	3.35
					84.05	1.05	8.47
HU/JS-372	6779240.00	2426290.00	180.0	-56.0	8.10	2.00	15.08
					12.40	4.10	7.71
					66.00	3.00	1.20
					75.30	0.70	1.80
Arpola – Section 2426310mE							
HU/JS-373	6779210.00	2426310.00	180.0	-46.0	37.20	0.80	1.07
HU/JS-374	6779280.00	2426310.00	180.0	-48.0	12.00	0.70	5.62
					48.65	2.95	2.80
					54.55	0.60	11.65
					69.45	1.15	1.09
					72.55	0.80	1.08
					93.10	1.00	1.12
					102.90	0.70	2.13
					115.60	1.05	2.65
					146.40	1.30	1.35
Arpola – Section 2426330mE							
HU/JS-375	6779190.00	2426330.00	180.0	-45.0	51.45	0.35	12.00
HU/JS-376	6779220.00	2426330.00	180.0	-45.0	No significant intercepts		
HU/JS-377	2426330.00	6779260.00	180.0	-48.0	40.85	1.10	1.81
					53.85	0.95	1.75
					108.80	1.85	1.12
Arpola – Section 2426350mE							
HU/JS-378	6779175.00	2426350.00	180.0	-44.0	27.85	0.75	54.40
					30.70	1.10	4.91
					48.65	3.25	8.11
HU/JS-379	6779200.00	2426350.00	180.0	-47.0	8.00	1.45	23.62
					41.25	0.90	1.22
					63.85	0.75	1.41
					65.70	1.05	1.37
HU/JS-380	6779250.00	2426350.00	180.0	-47.0	11.00	2.00	2.00
					26.45	0.85	8.65

Arpola – Section 2426370mE							
HU/JS-381	6779180.00	2426370.00	180.0	-45.0	36.40	4.40	24.02
					51.00	1.00	2.56
					57.30	4.35	3.32
HU/JS-382	6779230.00	2426370.00	180.0	-45.0	13.00	1.00	5.20
					39.80	0.60	8.95
HU/JS-383	6779280.00	2426370.00	180.0	-48.0	16.00	0.55	1.38
					53.90	0.75	3.90
					63.75	1.00	1.73
					75.50	1.50	1.71
					124.80	1.20	3.98
					165.80	1.00	1.19
Arpola – Section 2426390mE							
HU/JS-384	6779200.00	2426390.00	180.0	-45.0	9.30	0.40	2.01
					55.00	2.85	45.92
					63.20	0.80	72.16
HU/JS-385	6779230.00	2426390.00	180.0	-45.0	35.35	0.85	1.52
					44.30	0.90	9.63
					106.10	0.50	3.02
HU/JS-386	6779280.00	2426390.00	180.0	-48.0	33.00	1.00	6.67
					56.60	1.40	4.12
					64.50	0.90	1.42
					68.60	1.00	3.25
					73.60	1.00	1.31
					82.75	1.00	6.27
					113.75	0.80	1.50
					127.10	1.65	2.33
					133.60	0.85	1.41
					138.35	1.05	2.44
Arpola – Section 2426470mE							
HU/JS-387	6779205.07	2426470.00	180.0	-60.0	No significant intercepts		
HU/JS-388	6779246.15	2426470.00	180.0	-60.0	66.30	0.70	1.05

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.

Appendix 4 - New intercepts from diamond drilling at Kujankallio,Jokisivu. Cut-off grade 1 g/t gold.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
Kujankallio – Section 11							
HU/JS-349	6779701.56	2426178.17	206.0	-60.0	138.60	0.50	1.73
					196.20	0.70	2.41
					211.75	0.90	1.33
					233.10	2.20	5.79
					299.40	0.40	3.53
					310.90	0.90	2.93
					315.90	0.60	6.50
					325.50	2.05	12.16
					332.95	0.50	2.01
					333.85	0.85	2.11
					353.40	1.50	1.33
					356.00	0.90	1.00
					369.85	1.15	1.48

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.

NOTES WITH REGARD TO EXPLORATION RESULTS, MINERAL RESOURCES OR ORE RESERVES

Note 1: *The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Paul Payne BAppSc, a Member of the Australian Institute of Mining and Metallurgy, who is a full time employee of Runge Limited and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Paul Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

OTHER

Mr Neale Edwards BSc (Hons), a Member of the Australia Institute of Geoscientists, a 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 consents to the inclusion in the report of the matters based on this information, in the form and context in which it appears.

All statements in this report, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Dragon Mining Limited, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.