

HIGH GRADE DRILL RESULTS FROM SARVISUO EXTENSION AT THE ORIVESI GOLD MINE

Dragon Mining Limited is pleased to announce the receipt of the first results from a diamond core drilling program which is targeting the depth extensions of the Sarvisuo deposit at the Orivesi Gold Mine in southern Finland.

The results obtained to date have highlighted the extension of the known pipes (**7.15m @ 16.35 g/t gold, 4.30m @ 7.48 g/t gold, 4.00m @ 3.47 g/t gold and 3.55m @ 3.91 g/t gold**) whilst also identifying new deeper mineralised positions to the west of the Sarvisuo pipe cluster (**4.65m @ 13.34 g/t gold**).

The campaign of infill drilling totalling 24 holes for 3,500 metres is designed to test the zone between the 540m and 600m levels, to obtain information to confirm the extension of known mineralization at Sarvisuo.

Dragon's Executive Chairman Peter Cordin commented *"The results received have provided considerable encouragement as they represent a significant step towards the objective of extending the mine life at the Orivesi Gold Mine."*

Results for 11 of the 24 hole campaign are presented Table 1. Assays for 5 holes remain pending, whilst 8 holes remain to be drilled.

Figure 1 – Significant drill intercepts from recent Sarvisuo extension drill campaign (540-600m levels).

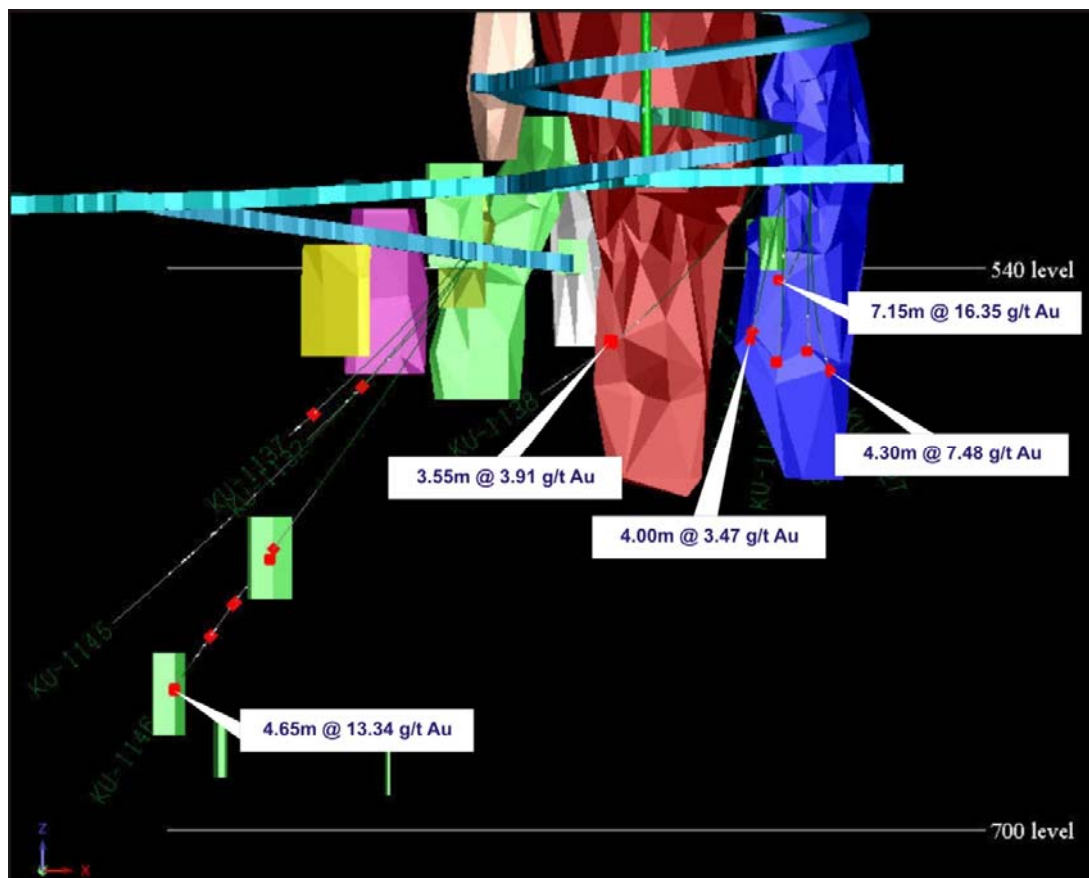


Table 1 – Results from Sarvisuo Extension Drilling, Orivesi Gold Mine.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
KU-1125	6838466.85	2508910.92	359.5	-22.1	107.60	7.15	16.35
KU-1126	6838466.85	2508910.89	359.3	-27.4	120.25	5.00	2.71
					including 1.25 metres @ 6.96 g/t gold from 120.25 metres		
KU-1127	6838466.85	2508910.63	359.6	-34.2	121.70	4.30	7.48
					including 0.85 metres @ 28.70 g/t gold from 121.70 metres		
KU-1132	6838492.28	2508813.93	338.2	-31.6	84.40	1.00	3.29
KU-1137	6838488.76	2508812.33	325.6	-34.9	88.40	0.40	1.71
KU-1138	6838466.63	2508896.96	332.6	-34.6	118.75	3.55	3.91
KU-1142	6838466.63	2508903.34	350.7	-18.9	No significant intercepts		
KU-1143	6838466.60	2508903.46	354.9	-26.5	112.50	1.50	2.73
					117.00	4.00	3.47
					including 1.00 metres @ 10.20 g/t gold from 119.00 metres		
KU-1144	6838466.66	2508903.47	0.3	-30.0	120.75	1.05	4.91
KU-1145	6838489.69	2508814.02	311.0	-43.7	No significant intercepts		
KU-1146	6838489.63	2508814.28	311.6	-51.2	117.90	2.10	3.52
					120.85	2.70	1.73
					140.80	1.35	1.72
					155.35	0.55	12.15
					177.20	4.65	13.34
					including 2.50 metres @ 24.01 g/t gold from 179.35 metres		

Analysis of half 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. Reported at 1 g/t gold cut-off.

For and on behalf of
Dragon Mining Limited

Peter G Cordin
Executive Chairman

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.