

**FURTHER SIGNIFICANT INTERCEPTS FROM SVARTLIDEN, SWEDEN DRILLING CAMPAIGN**

Dragon Mining Limited is pleased to announce further encouraging results from drilling of the eastern zone open cut extension at the Svartliden Gold Mine, which has returned a high grade intercept from drill hole SV10220 of **10m @ 14.87 g/t gold** that includes **5m @ 28.43 g/t gold**.

Other encouraging intercepts include **14m @ 3.21 g/t gold**, **8m @ 3.25 g/t gold**, **10m @ 2.91 g/t gold** and **8m @ 2.63 g/t gold**. Results received for 12 holes are presented in Table 1.

Dragon's Executive Chairman, Peter Cordin stated, "The results are a fantastic start to the extensive drilling program at Svartliden and give the Company confidence that the mineralisation continues along strike in the eastern zone and at depth. The undertaking of a 22,000 metre drilling program targeting both open-pit and underground mineralisation should achieve the objective of extending the mine life."

The eastern zone extension campaign of 32 diamond core holes drilled for an advance of 4,524.6 metres is near completion. Results have been received for 19 holes (results from 7 holes announced on 24 June 2010) with the results from the remaining 13 holes expected over the coming weeks.

**Table 1 – Results from eastern zone open cut extension drilling campaign.**

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
<b>Profile 2100</b>							
SV10274	7187281.9	1588873.2	341	-55	127.0	1.0	3.72
SV10275	7187281.4	1588873.3	341	-45	140.0	8.0	2.63
<b>Profile 2125</b>							
SV10219	7187305.7	1588891.1	341	-55	72.0	6.0	2.88
					93.0	14.0	3.21
					Includes 2 metres @ 8.59 g/t gold from 101 metres		
SV10220	7187304.8	1588891.4	341	-45	114.0	8.0	3.25
					126.0	10.0	14.87
					Includes 5 metres @ 28.43 g/t gold from 131 metres		
<b>Profile 2150</b>							
SV10221	7187312.2	1588915.4	341	-55	108.0	10.0	2.91
					128.0	1.0	2.45
<b>Profile 2200</b>							
SV10224	7187317.5	1588966.2	341	-50	108.0	1.0	2.43
					112.0	6.0	3.01
<b>Profile 2225</b>							
SV10228	7187339.6	1588985.1	341	-50	104.0	3.0	4.52
SV10229	7187310.3	1588995.2	341	-50	134.0	1.0	6.03
					140.0	1.0	2.90
					145.0	2.0	27.56
					Includes 1 metres @ 51.20 g/t gold from 146 metres		
<b>Profile 2250</b>							
SV10231	7187353.4	1589006.9	341	-50	97.0	1.0	9.81
					111.0	2.0	2.30
SV10232	7187321.3	1589017.9	341	-50	No Significant Results		
<b>Profile 2275</b>							
SV10233	7187318.0	1589045.5	341	-50	146.0	1.0	3.00
<b>Profile 2300</b>							
SV10235	7187368.7	1589054.5	341	-50	121.0	1.0	8.04

*Analysis of half core was completed at ALS Chemex Laboratories in Vancouver, Canada, using method Au-AA25, following sample preparation at the ALS Chemex facility in Piteå, Sweden. Reporting cut-off grade 1.8g/t gold.*

A second diamond core drill rig has arrived at Svartliden, both rigs operating on a 25 hole, 4,645 metre campaign to further examine the western portion of the deposit below and adjacent to the existing underground Indicated (259,000t @ 7.2 g/t gold) and Inferred (53,000t @ 7.1 g/t gold) Resource.

For and on behalf of  
**Dragon Mining Limited**

**Peter G Cordin**  
Executive Chairman

Figure 1 – Svartliden Profile 2100

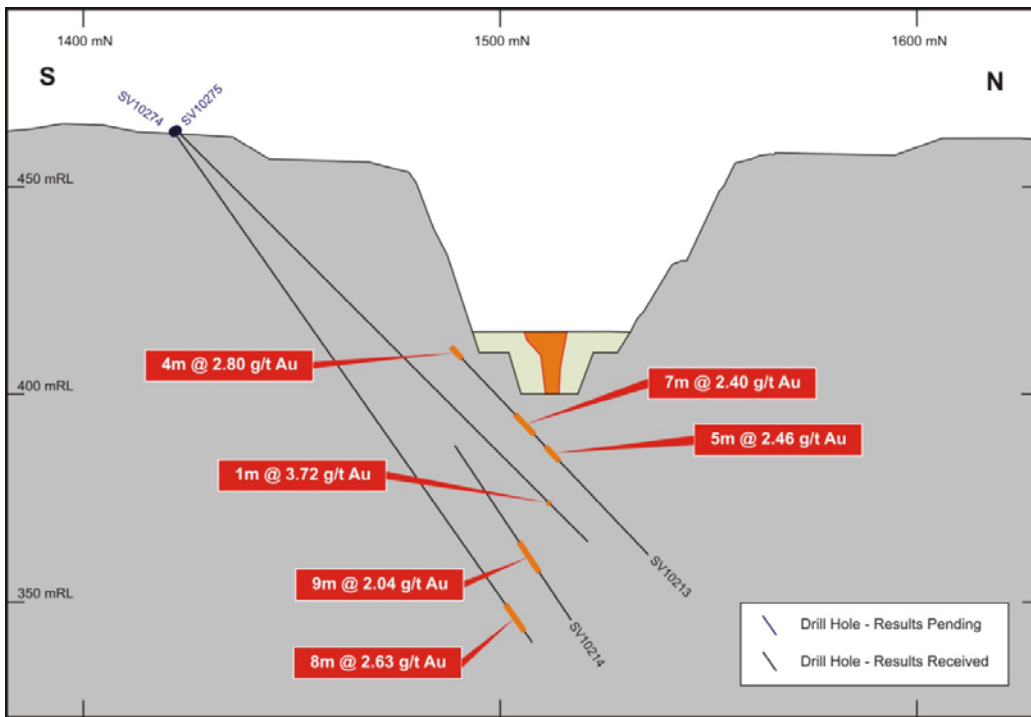


Figure 2 – Svartliden Profile 2125

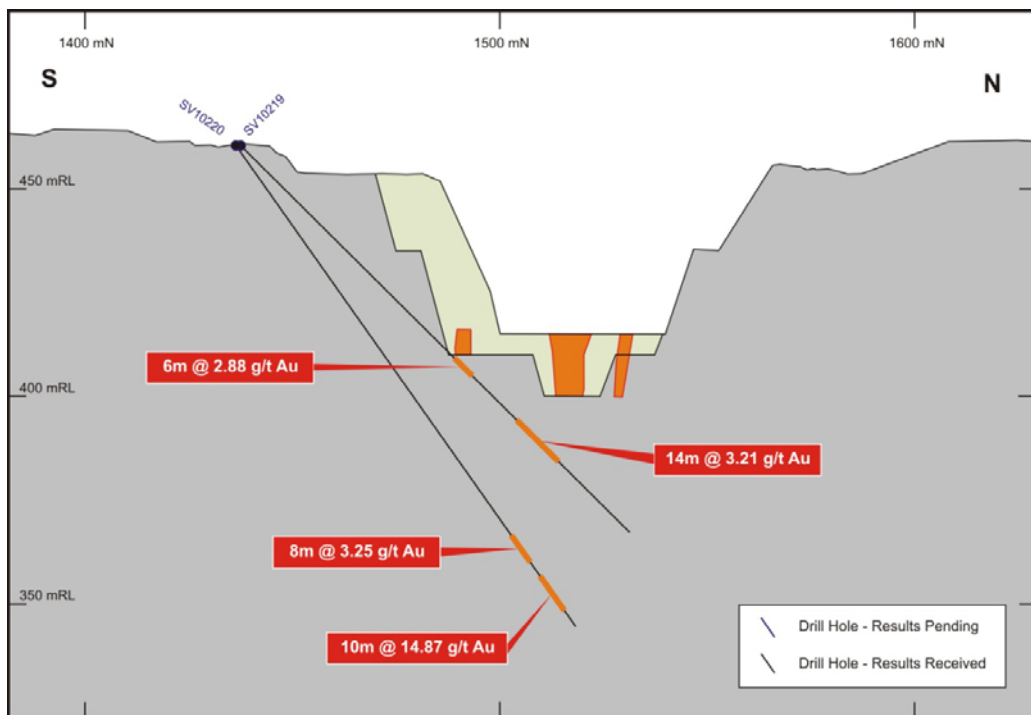
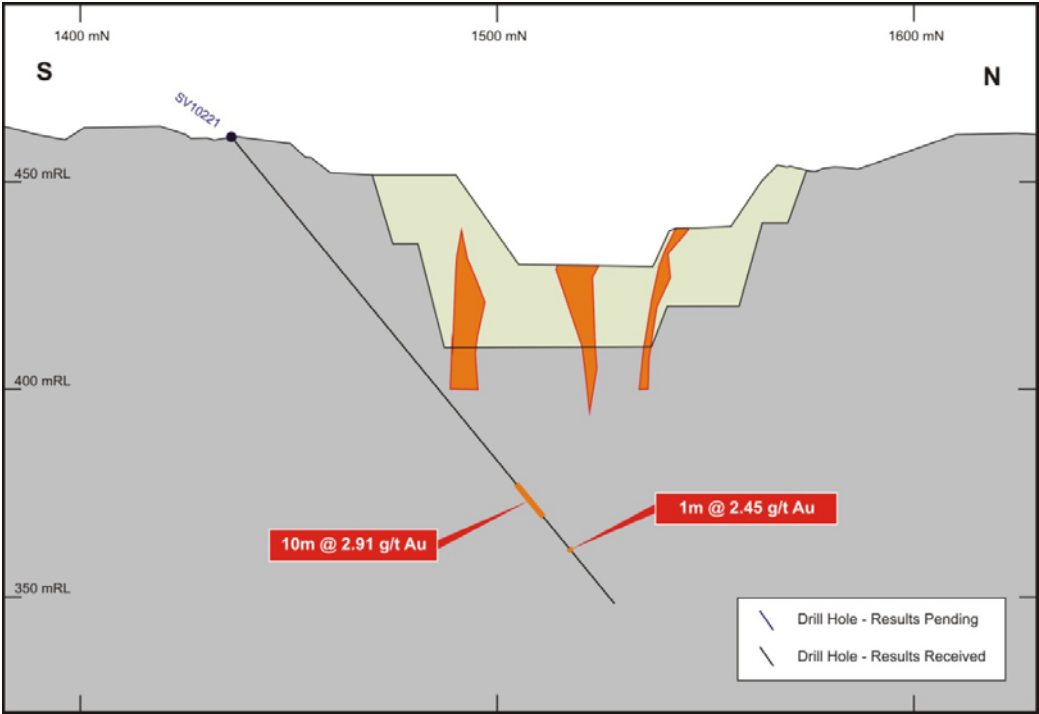


Figure 3 – Svartliden Profile 2150



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, who is a full time employee of the company 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 a Competent Person 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 his information in the form and context in which it appears.