

ARPOLA MINERAL RESOURCE UPDATE - JOKISIVU, FINLAND

Dragon Mining Limited is pleased to announce the completion of an update of the Arpola Mineral Resource at the Jokisivu Gold Mine in southern Finland.

The updated Mineral Resource estimate of **441,000t @ 6.7 g/t gold** for **94,400 ounces** was completed internally and audited by independent consultants Runge Limited in Perth, Western Australia.

The updated Mineral Resource better depicts the nature of the deposit. A decrease in contained gold from the previous (February 2005) Indicated and Inferred Mineral Resource estimate of 490,000t @ 6.8 g/t gold (106,700 ounces) is a result of a break-up of the interpreted lodes.

The Arpola Mineral Resource update follows the completion of an extensive drilling campaign at the Jokisivu Gold Mine, where 83 diamond core holes have been completed (12,316.4 metres) targeting areas along the eastern portion and below the Kujankallio open pit, the area between the Kujankallio and Arpola deposits and the Arpola deposit itself. Overall this campaign has resulted in the total Mineral Resource inventory at the Jokisivu Gold Mine increasing, the contained gold (undepleted) up 9.6% to 356,300 gold ounces (Refer to Appendix 1), from 325,000 ounces as reported at the end of 2008.

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) and is summarised in Table 1.

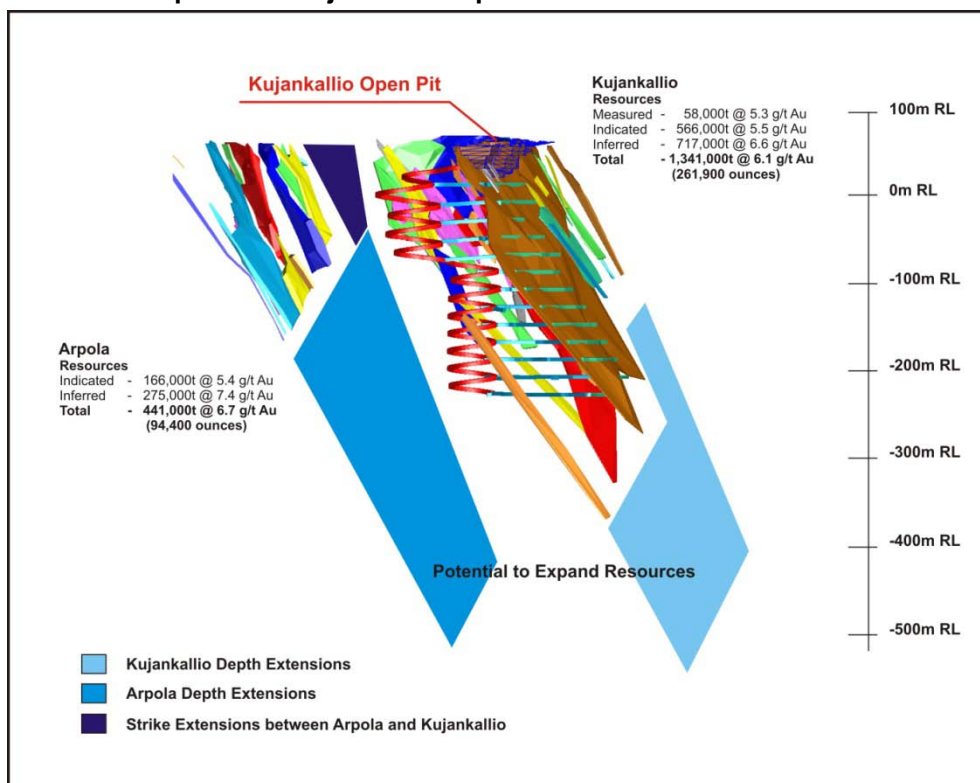
Table 1 – June 2010 Arpola Mineral Resource estimate. Reported at a 2.0 g/t gold cut-off.

	Tonnes	Gold (g/t)	Ounces
Indicated	166,000	5.4	28,800
Inferred	275,000	7.4	65,600
Total	441,000	6.7	94,400

The Mineral Resource was estimated by Inverse Distance grade interpolation, constrained by resource outlines on mineralisation envelopes prepared using a nominal 0.5 g/t gold cut-off with no minimum down hole length. Block dimensions used in the model were 2m NS x 10m EW x 5m vertical with sub-blocks of 0.5m by 2.5m by 1.25m. A high grade cut of 70 g/t was applied to 1m composited data and the resource was classified by JORC Code categories.

An internal feasibility study is being completed to determine the viability of developing an underground operation at the Jokisivu Gold Mine. The study is being reviewed and a development that would encompass both the Kujankallio and Arpola deposits should commence in late 2010.

Jokisivu Gold Mine - Arpola and Kujankallio Deposits

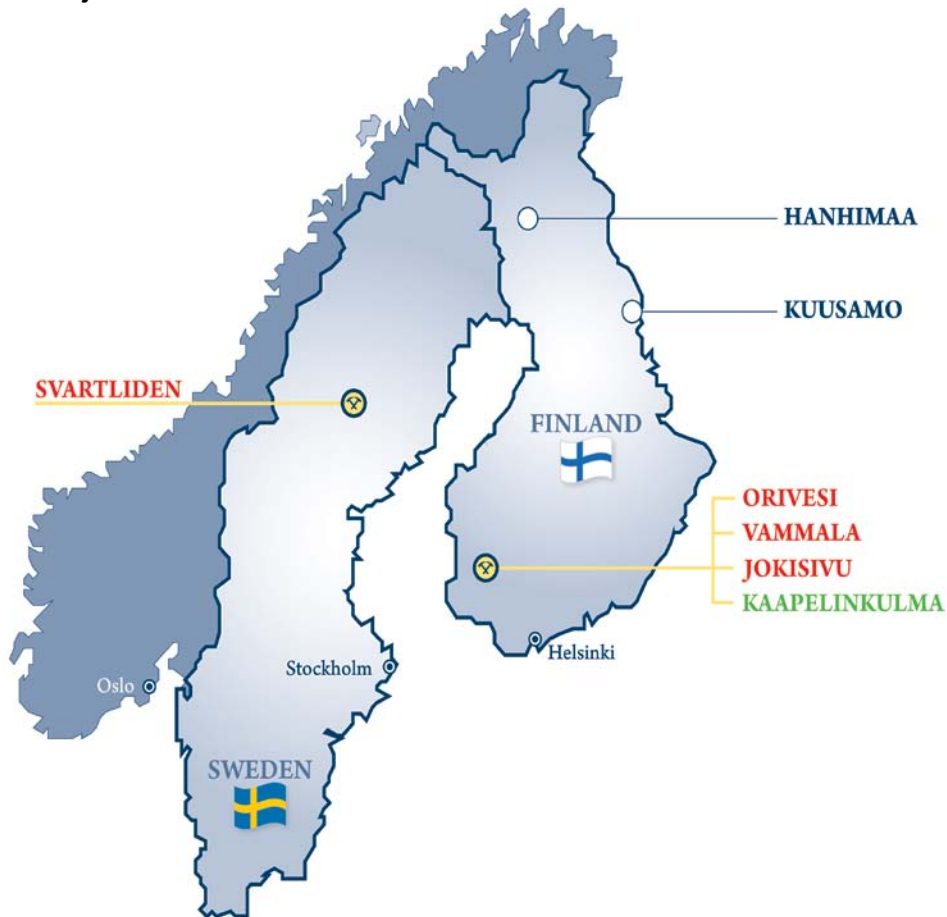


Background - Jokisivu Gold Mine

The Jokisivu Gold Mine is located 40 kilometres southwest of the Vammala Production Centre and hosts a Measured, Indicated and Inferred Resource totalling 356,300 ounces from two deposits 200 metres apart. The Kujankallio deposit has been shown by drilling to extend to at least 525 metres in depth, though resource drilling currently extends only down to 440 metres, whilst the Arpola deposit has only been drilled down to 200 metres. Both deposits remain open with depth and partially along strike.

Open Cut mining of the Kujankallio deposit commenced in 2009 and is scheduled to be completed by the end of 2010.

Location of Projects



For and on behalf of
Dragon Mining Limited

Peter G Cordin
Executive Chairman

The information in this announcement 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 announcement of the matters based on their information in the form and context in which it appears.

Appendix 1 – Jokisivu Gold Mine Mineral Resource Inventory (Undepleted). Reported at a 2 g/t gold cut-off.

Deposit	Category	Tonnes	Gold (g/t)	Ounces
Kujankallio (1)	Measured	58,000	5.3	9,800
	Indicated	566,000	5.5	100,000
	Inferred	717,000	6.6	152,100
	Total	1,341,000	6.1	261,900
Arpola (2)	Measured			
	Indicated	166,000	5.4	28,800
	Inferred	275,000	7.4	65,600
	Total	441,000	6.7	94,400
Total	Measured	58,000	5.3	9,800
	Indicated	732,000	5.5	128,800
	Inferred	992,000	6.8	217,700
	Total	1,782,000	6.2	356,300

(1)	<i>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.</i>
(2)	<i>The information in this announcement 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 announcement of the matters based on their information in the form and context in which it appears.</i>