

ASX ANNOUNCEMENT

4 NOVEMBER 2010

MULTIPLE HIGH GRADE DRILL RESULTS AT THE ORIVESI GOLD MINE

Dragon Mining is pleased to announce the receipt of results from two diamond core drilling programs completed above and adjacent to the Sarvisuo lodes at the Orivesi Gold Mine.

Results from a 10 hole campaign that was designed to test the zone between the 600m and 720m levels at Sarvisuo and further evaluate the area west of Sarvisuo has returned a number of significant intercepts, including high grade highlights **6.45 metres @ 31.18 g/t gold, 4.00 metres @ 7.01 g/t gold, 1.65 metres @ 63.89 g/t gold and 1.45 metres @ 56.40 g/t gold** from the area west of Sarvisuo. These intercepts have provided further evidence of the existence of a new mineralised pipe or pipe cluster west of Sarvisuo in close proximity to the existing development.

Results for the initial 7 holes are provided in Table 1. Assays remain pending for 3 holes including hole KU-1149, which targeted the depth extensions of the Sarvisuo lode system and intersected typical Orivesi host rocks and visible gold at the 690 metre level.

Executive Chairman Peter Cordin stated, "These new intercepts are very encouraging and represent another step towards extending the mine life at the Orivesi Gold Mine. Results indicate the strong possibility of a new zone of gold mineralisation to the west of Sarvisuo, the closeness to existing development being a significant plus."

A follow-up 23 hole, 4,115 metre drilling program has now commenced to further evaluate the Sarvisuo West area between the 480m and 620m levels. The first results from this campaign are expected to be available in early 2011.

The 14 hole surface drilling program testing the up-dip extensions of the Sarvisuo lode system between the surface and the 150m level has returned a number of very promising high grade intercepts including **2.40 metres @ 93.70 g/t gold and 3.85 metres @ 13.24 g/t gold**. These new intercepts confirm that the Sarvisuo lode system could extend to shallower depths, at widths and grade that potentially are amenable to mining.

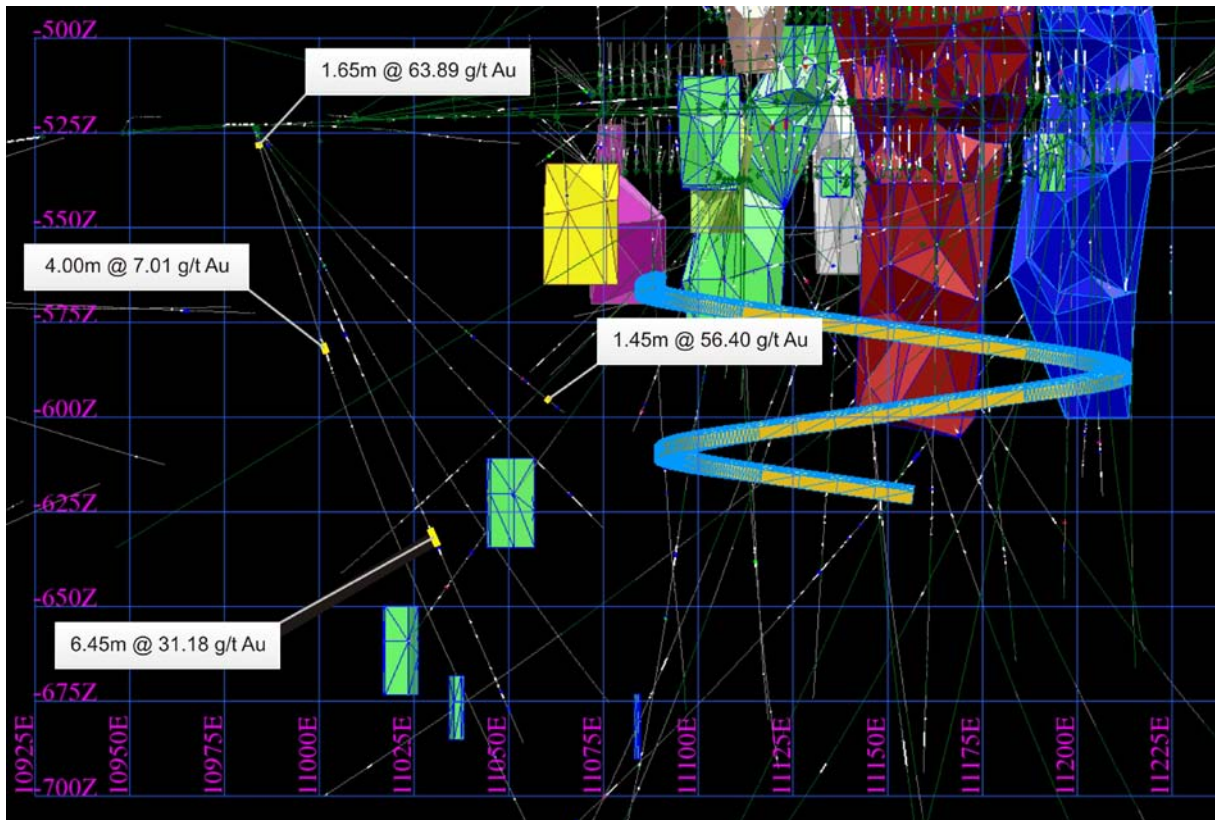
Results from 11 of the 14 hole program are provided in Table 2. A 6 hole, 1,345 metre surface drilling program to evaluate the zone between the 150 metre and 250 metre levels has been completed and results are pending.

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.

Recent result highlights from drilling adjacent to the Sarvisuo lode system.



Recent result highlights from drilling above the Sarvisuo lode system.

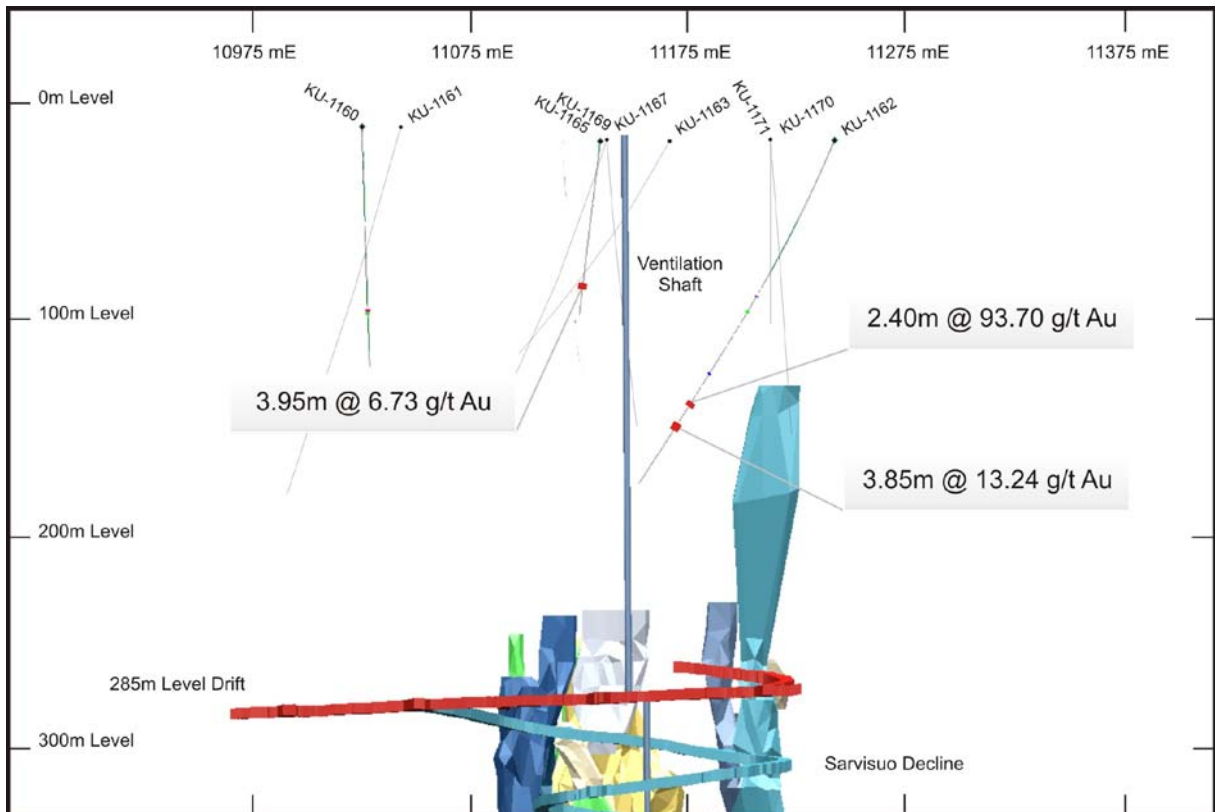


Table 1 – Results from Underground Diamond Core Drilling, Sarvisuo, Orivesi Gold Mine

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
Sarvisuo							
KU-1154	6838491.66	2508818.50	359.8	-59.7	133.00	1.30	3.56
KU-1156	6838491.61	2508818.38	341.8	-58.1	53.00	1.00	1.52
					127.00	2.00	1.26
					152.00	1.80	2.95
					218.10	0.90	4.71
Sarvisuo West							
KU-1180	6838478.72	2508689.68	22.6	-50.4	4.00	1.65	63.89
					Includes 1.15 metres @ 90.70 g/t gold from 4.50 metres		
					79.00	4.00	7.01
					Includes 1.00 metre @ 14.65 g/t gold from 79.00 metres and 0.80 metres @ 15.00 g/t gold from 82.20 metres		
					92.75	0.40	4.96
					255.05	1.65	1.07
KU-1181	6838479.17	2508689.84	20.0	-36.7	2.60	1.00	4.93
					65.00	1.65	3.07
KU-1182	6838478.26	2508690.21	41.6	-44.2	6.00	1.30	1.02
					120.70	1.10	1.19
					159.80	1.20	1.10
KU-1183	6838478.20	2508690.25	41.7	-35.7	101.00	0.50	3.48
					104.55	0.90	1.05
					128.10	0.50	13.45
					129.70	0.80	1.42
					140.00	1.45	56.40
					144.50	1.35	1.25
KU-1184	6838478.39	2508690.15	36.7	-53.3	66.90	1.30	1.10
					131.85	6.45	31.18
					Includes 2.00 metres @ 82.80 g/t gold from 135.30 metres		
					184.70	1.05	1.11
					189.90	2.20	2.32

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.

Table 2 – Results from Surface Diamond Core Drilling, Sarvisuo, Orivesi Gold Mine

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
KU-1158	6838606.09	2508723.98	138.6	-63.5	No significant results		
KU-1159	6838606.65	2508724.20	127.7	-56.1	No significant results		
KU-1160	6838612.23	2508764.74	213.5	-63.2	142.70	1.50	2.50
					184.50	1.30	1.84
KU-1161	6838595.07	2508746.82	180.0	-77.9	23.10	0.90	1.32
					125.00	1.00	2.16
					136.00	1.45	1.80
					141.75	2.95	1.22
KU-1162	6838527.11	2508950.19	292.5	-64.8	81.85	0.50	2.55
					90.00	1.00	3.95
					124.65	1.10	1.01
					141.00	2.40	93.70
					Includes 1.40 metres @ 158.50 g/t gold from 142.00 metres		
					153.15	3.85	13.24
					Includes 1.65 metres @ 21.29 g/t gold from 153.15 metres and 1.15 metres @ 13.65 g/t gold from 155.85 metres		
KU-1163	6838535.66	2508873.50	310.1	-53.7	No significant results		
KU-1164	6838595.81	2508786.77	125.3	-47.1	43.25	0.65	2.95
					109.30	1.10	1.32
KU-1165	6838603.87	2508843.53	188.5	-50.4	88.45	3.95	6.73
					Includes 0.80 metres @ 11.80 g/t gold from 88.45 metres and 1.20 metres @ 12.65 g/t gold from 90.80 metres		
KU-1167	6838637.06	2508846.98	202.1	-49.4	No significant results		
KU-1169	6838636.97	2508847.21	176.5	-51.7	No significant results		
KU-1170	6838584.30	2508919.43	171.5	-68.5	66.70	1.10	2.34
					109.90	0.85	1.12

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.

Background – Orivesi Gold Mine

The Orivesi Gold Mine is located 80 kilometres northeast of the Vammala Production Centre and hosts a Measured, Indicated and Inferred Resource totalling 229,600 ounces at a grade of 5.9 g/t gold.

It was initially in operation between 1992 and 2003 and produced 422,000 ounces of gold from a series of near vertical pipe-like lodes at Kutema, with the ore processed at the Vammala Production Centre. Two of the five principal lodes at Kutema continue beyond the current extent of the decline (720 m level), into the unmined Kutema Deeps area.

Mining from the Sarvisuo lodes, 300 metres east of Kutema commenced in April 2008 and has been conducted from the 285m to the 540m level with the decline now being extended to the 620m level. Since recommencement of mining 506,032 tonnes of ore have been mined.

Both Kutema and Sarvisuo remain open with depth, with areas proximal to both lode systems now showing good potential.



Orivesi Gold Mine - Mineral Resource Inventory

	Tonnes	Gold (g/t)	Ounces
Sarvisuo			
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
Kutema			
Measured	-	-	-
Indicated	92,200	3.4	10,000
Inferred	-	-	-
Total	92,200	3.4	10,000
Kutema Deeps			
Measured	-	-	-
Indicated	310,400	5.1	50,800
Inferred	515,000	6.0	100,100
Total	825,400	5.7	150,900
Orivesi Total			
Measured	148,000	8.0	38,100
Indicated	492,600	4.9	77,800
Inferred	570,000	6.2	113,700
Total	1,210,600	5.9	229,600