

ASX ANNOUNCEMENT

25 NOVEMBER 2010

NEAR SURFACE HIGH GRADE DRILL RESULTS AT THE ORIVESI GOLD MINE, FINLAND

Dragon Mining is pleased to announce a high grade intercept of **20.0m @ 34.67 g/t gold** from the upper portion of Pipe 2, just one of several very encouraging intercepts obtained from the surface diamond core drilling program completed at the Orivesi Gold Mine. Assays have now been received from 16 of the 20 hole program, which was designed to test the up-dip extensions of the Sarvisuo lode system between the surface and the 250m level.

The intercepts continue to confirm that the Sarvisuo lode system extends to shallower depths, at widths and grades that potentially are amenable to underground mining. Results for the 16 holes are provided in Table 1, with the results of the remaining 4 holes expected in the coming weeks.

Executive Chairman Peter Cordin stated, "The recent successes from drilling in the Sarvisuo area has provided the Company with great encouragement. The decision to accelerate exploration is now being vindicated with the receipt of a series of strong intercepts from areas adjacent to, above and below the Sarvisuo lode system, which potentially could result in a significant increase in the life of the Orivesi Gold Mine."

Result highlights from drilling above the Sarvisuo lode system. 2010 intercepts in red.

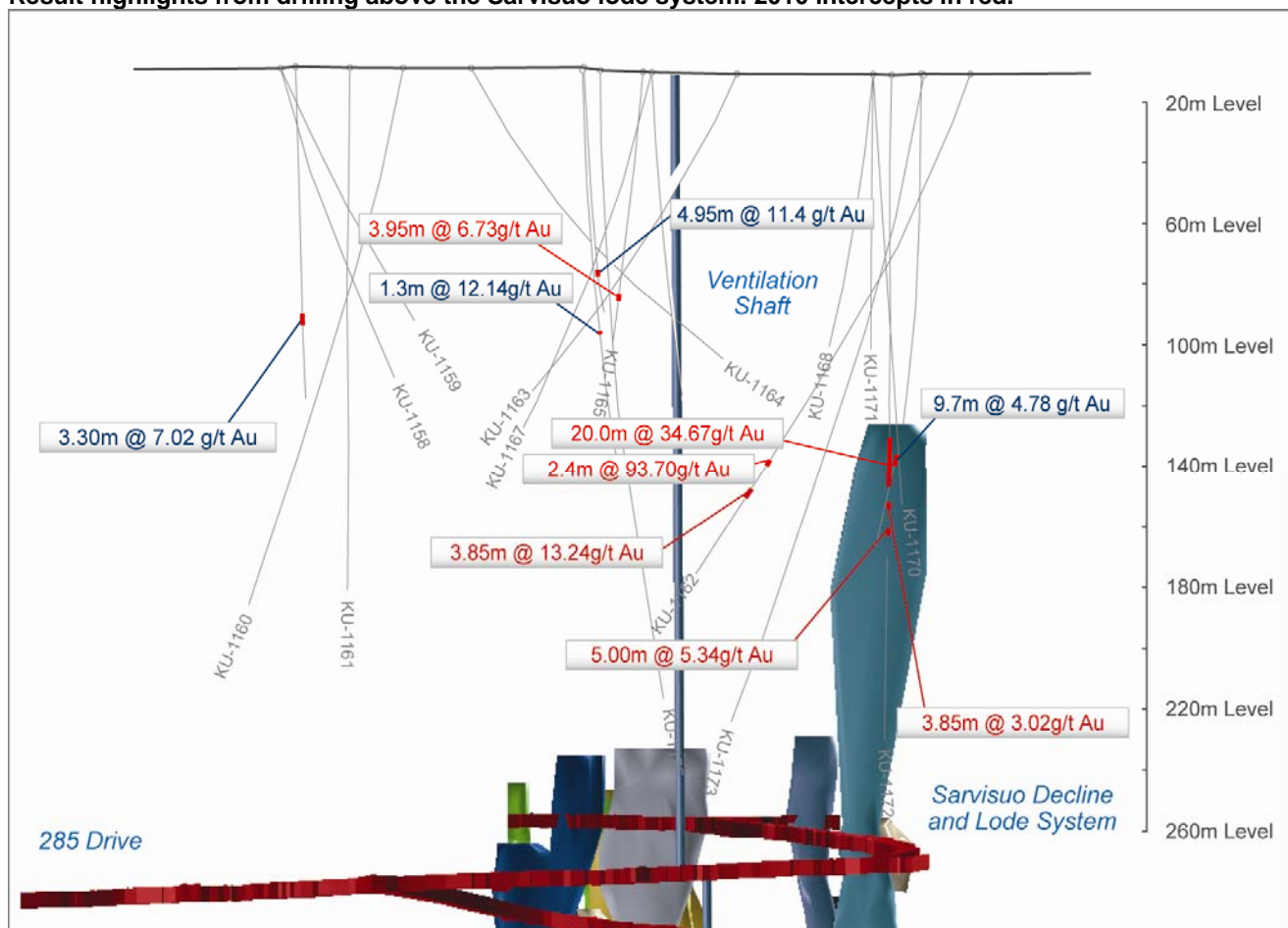


Table 1 – Results from Surface Diamond Core Drilling, Sarvisuo, Orivesi Gold Mine. Recent results highlighted in red.

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-1168	6838583.76	2508919.51	190.4	-49.3	60.00	1.00	1.26
					76.00	1.00	1.19
					80.00	1.00	2.83
					82.00	1.00	1.02
					97.00	1.00	3.99
					100.00	1.20	1.17
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
KU-1171	6838526.65	2508918.19	0.2	-62.9	42.80	1.00	1.23
KU-1172	6838555.15	2508924.70	185.0	-85.1	111.00	20.00	34.67
					Includes 6.00 metres @ 72.52 g/t gold from 114.00 metres, 4.30 metres @ 20.79 g/t gold from 122.00 metres and 1.45 metres @ 109.27 g/t gold from 127.55 metres		
					135.15	3.85	3.02
					140.00	5.00	5.34
					149.00	1.00	1.78
					152.00	2.00	1.64
					181.40	4.85	2.11
					210.00	2.00	1.95
KU-1173	6838539.25	2508935.16	283.7	-77.4	88.30	0.95	1.84
					124.00	1.00	3.11
					127.00	1.00	1.11
KU-1175	6838525.0396	2508828.4622	1.2	-74.7	No significant results		

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 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.

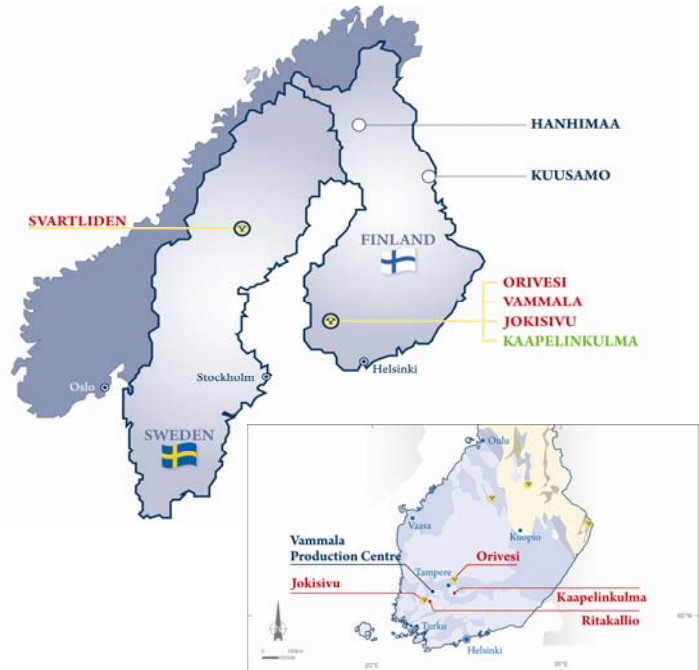
Background – Orivesi Gold Mine

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