



ASX ANNOUNCEMENT

30 NOVEMBER 2010

FURTHER ENCOURAGING RESULTS FROM DEPTH EXTENSION DRILLING AT SVARTLIDEN GOLD MINE

Dragon Mining is pleased to announce the receipt of further results from the depth extension drilling program at the Svartliden Gold Mine in Sweden.

The recent results were obtained from a short campaign of drilling targeting the North Lode between the eastern and western zones of the open pit and from part of a larger campaign testing the eastern zone of the deposit from 80 and 200 metres below the surface.

A number of encouraging intercepts were received from the Eastern Zone Depth Extension 80-200 campaign including, **2.0 metres @ 5.23 g/t gold** and **5.0 metres @ 3.79 g/t gold**. Results for 11 of the 36 hole campaign are provided in Table 1, results from 11 holes are pending, whilst 14 holes are yet to be drilled.

Two diamond core drill rigs continue to be active on the eastern zone campaign, with several of the recently completed holes intersecting strong zones of mineralisation with visible gold, beneath and adjacent to drill hole SV10220 on Profile 2125, which returned intercepts of 8.0m @ 3.25 g/t gold and 10.0m @ 14.87 g/t gold.

Upon completion of this campaign, both rigs will commence drilling on a 17 hole, 5,800 metre program at the western end of the deposit, targeting gold mineralisation between 200 and 400 metres below surface.

Several very promising results were received from the North Lode drilling including, **4.0 metres @ 20.84 g/t gold** and **2.0 metres @ 7.95 g/t gold**. Results from 3 of the 4 holes completed are provided in Table 2, with the result of one hole pending.

Executive Chairman Peter Cordin stated, "The zones of mineralisation intersected in recent drill holes appear to be very encouraging, providing further indication that gold mineralisation continues with depth. We expectantly await the analytical results from these holes and for those completed in the coming months."

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, 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.

Recent Svartliden Intercept Highlights.

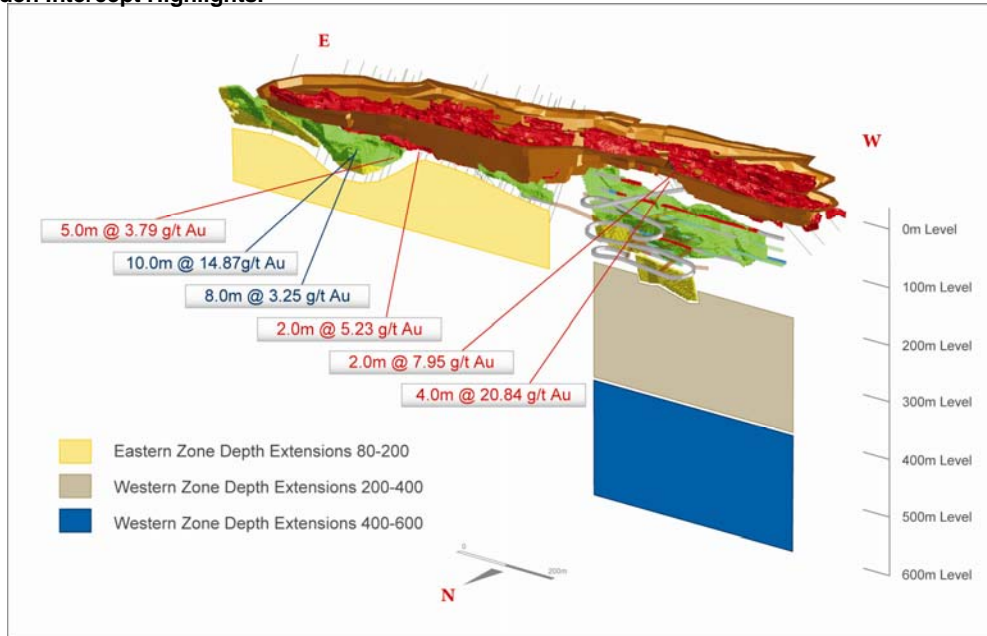


Table 1 – Results from Eastern Zone Depth Extension 80-200 campaign.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
Profile 1800							
SV10270	7187118.632	1588611.615	341	-59	No significant results		
Profile 1825							
SV10273	7187121.628	1588637.048	341	-50	No significant results		
Profile 1850							
SV10295	7187119.036	1588637.914	341	-55	199.0	1.0	2.94
Profile 1875							
SV10278	7187372.103	1588604.226	161	-50	No significant results		
Profile 1900							
SV10283	7187135.193	1588711.751	341	-50	203.0	1.0	4.53
SV10300	7187375.410	1588629.464	161	-50	135.0	1.0	2.03
Profile 1925							
SV01305	7187161.591	1588729.064	341	-50	No significant results		
Profile 1975							
SV10306	7187312.218	1588730.398	161	-55	No significant results		
Profile 2025							
SV10291	7187241.763	1588807.312	341	-45	75.0	1.0	2.15
					85.0	1.0	2.18
					141.0	2.0	5.23
SV10292	7187241.763	1588807.312	341	-52	No significant results		
Profile 2075							
SV10293	7187276.881	1588848.137	341	-45	118.0	5.0	3.79

Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using method Au-AA25, following sample preparation at the ALS Chemex facility in Piteå, Sweden. Reported at a cut-off grade of 1.8g/t gold.

Table 2 – Results from Resource Drilling North Lode between East and West Pit campaign.

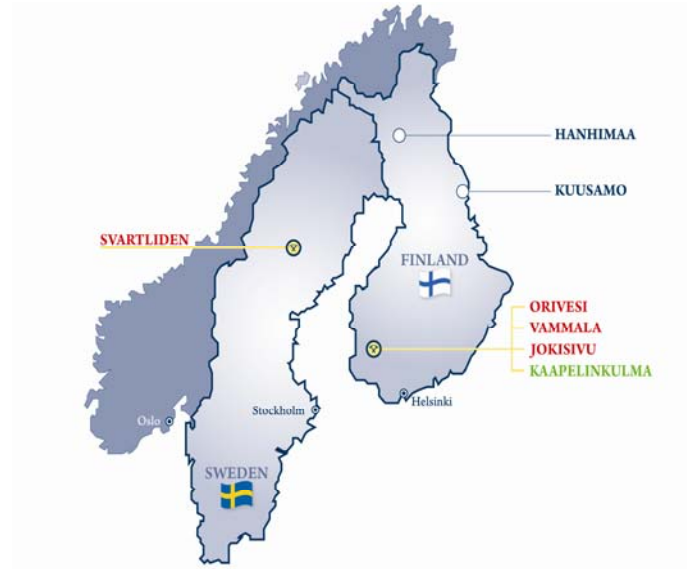
Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
Profile 1575							
SV10289	7187149.914	1588363.113	161	-55	13.0	1.0	1.96
					41.0	2.0	7.95
SV10290	7187160.321	1588359.549	161	-55	53.0	4.0	20.84
					includes 1.0 metres @ 61.6 g/t gold from 53 metres		
Profile 1600							
SV10284	7187172.204	1588381.906	161	-45	65.0	1.0	4.65

Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using method Au-AA25, following sample preparation at the ALS Chemex facility in Piteå, Sweden. Reported at a cut-off grade of 1.8g/t gold.

Background

The Svartliden Gold Mine is located in northern Sweden, 700 kilometres north of Stockholm in an area that is developing into a gold-rich province referred to as the Gold Line. It was developed by Dragon Mining as an open pit mining operation with ore processed on site through a carbon in leach (CIL) plant, the first production in March 2005. At 30 September 2010 the operation had processed 1.74Mt at 4.8 g/t gold for 243,435 ounces of gold.

Mineralisation at Svartliden is structurally controlled and hosted within a series of meta-sediment and metavolcanic sequences. Higher grade concentrations of gold occur within well defined structures. These zones have been the target of resource drilling since mid-2006 designed to delineate mineralisation with the potential to extend the open pit and to sustain underground mining operations.



Location of Projects