

HIGHLIGHTS

OPERATIONS

- Gold production for the Dragon Mining Group of 15,056 ounces at an average cash cost of US\$995 per ounce.
- At Svartliden, Sweden gold production of 6,435 ounces at an average cash cost of US\$1,277 per ounce. The high cash cost, which was anticipated, is the result of the extensive stripping campaign (all waste mining costs are expensed and included in cash costs) and processing ore reclaimed from low grade stockpiles.
- At Vammala Production Centre, Finland gold production of 8,621 ounces at an average cash cost of US\$785 per ounce (including refining costs of US\$220 per ounce). Ore was sourced from the Orivesi Gold Mine.
- At Svartliden, the company awarded a contract to Lemminkäinen Sverige AB to complete the decline and undertake underground mining. The work is scheduled to commence early in the third quarter of 2011 and should allow a seamless transition of ore supply from the open cut mine to underground mine.
- At Orivesi, Finland development of the Kutema Deeps decline from the 720m level commenced and advanced 142m.
- At Jokisivu, Finland development of the decline to provide access for underground mining of the Kujankallio deposit advanced to 655m with the first development ore trucked to Vammala in mid-April. A small open pit commenced at the Arpola deposit where 5,000 ounces of gold is to be extracted by the end of June.

EXPLORATION

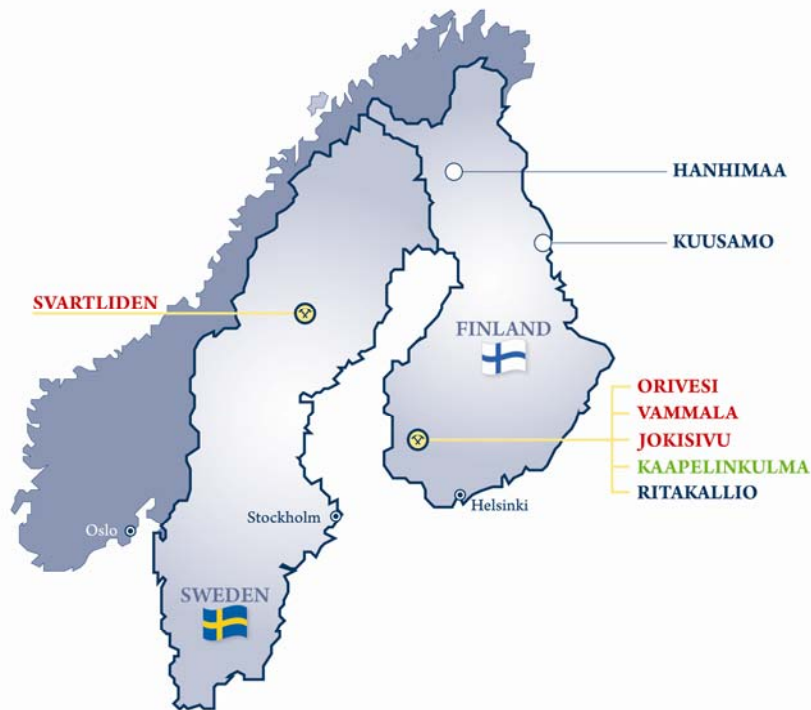
- The gold resource inventory now exceeds 1 million ounces, following the completion of a series of Mineral Resource updates that have resulted in a combined total resource of **6.69mt grading 5.20 g/t gold for 1,124,900 ounces**, depleted for mining to 31 December 2010. This represents an increase of **13%** in contained ounces from 31 December 2009.
- The Proven and Probable Ore Reserves have also been updated to a total of **1.89 million tonnes grading 3.8 g/t gold for 231,030 ounces**.
- At Kuusamo, Finland the new Mineral Resource is **2.19 million tonnes @ 5.4 g/t gold for 383,500 ounces**, an increase of **204,700 ounces** (114%) in contained gold ounces.
- At Kuusamo results from the initial phase (7 holes) of drilling at the Juomasuo gold deposit returned a series of encouraging high grade intercepts, including **14.55m @ 4.81 g/t gold, 1.95m @ 42.20 g/t gold, 11.85m @ 5.30 g/t gold, 5.30m @ 12.97 g/t gold, 2.00m @ 12.96 g/t gold, 2.00m @ 18.35 g/t gold, 1.95m @ 10.81 g/t gold and 1.00m @ 50.40 g/t gold**. These intercepts confirm the extensions of the targeted lodes in concert with the geological models developed for the Mineral Resource and identified indications of additional lodes parallel to the existing lode set.
- The second phase of diamond core drilling at Juomasuo, designed to test the strike and depth extensions of the southern portion returned an exceptional preliminary result of **34.90m @ 9.30 g/t gold**. This intercept confirms the continuity of, and increases the width of one of the sub-parallel lodes located in the southern portion of the deposit.
- The first results from a re-assaying program were received from Juomasuo, with the analysis of 6 holes returning gold at levels that compare favourably with historic values, highlighting the good reproducibility of results including the bonanza intercept of **50.80m @ 71.99 g/t gold**, which re-assayed at **75.92 g/t gold** over the same interval.
- At Jokisivu, results from a diamond drilling campaign designed to target the decline area between the Kujankallio and Arpola deposits returned a series of very encouraging intercepts including **7.70m @ 4.09 g/t gold, 5.25m @ 8.90 g/t gold and 8.90m @ 4.52 g/t gold**. The new zone of mineralisation is located close to the decline.
- At Svartliden, results were received from a diamond drilling campaign which was primarily focussed on the eastern zone depth extension (80-200m) returned a number of promising intercepts including **4.00m @ 12.87 g/t gold, 2.00m @ 32.45 g/t gold, 3.00m @ 19.53 g/t gold and 2.00m @ 12.50 g/t gold**. The 22,000 metre program that commenced in March 2010 has now been completed, the results from drilling completed since the September 2010 resource update will be incorporated into a new resource update that is expected to be completed in May.

CORPORATE

- As at 31 March 2011, Dragon Mining held \$28.2m in cash, \$5.4m in net gold concentrate receivables and bullion and \$4.3m of cash deposits lodged with Swedish authorities as rehabilitation bonds.
- Gross cash inflow from operations for the quarter was \$11.2m.
- The average cash price received per ounce of gold sold (7,595 ounces) from Svartliden was US\$1,364 and the average sales price received per ounce of gold sold (9,392 ounces) from Vammala was US\$1,385.
- The market value of shares held in Chalice Gold Mines was \$1.1m.



Location of Projects



OPERATIONS

SWEDEN

Svartliden Gold Mine (80% Interest)

Table 1 – Production Summary

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Plant Utilisation (%)	Total Gold Production (Ounces)	Cash Cost US/oz
Mar 2011 Quarter	62,452	81,052	2.8	88.9	96.5	6,435	1,277
Dec 2010 Quarter	48,860	82,509	3.2	89.5	99.1	7,602	588

There were no lost time injuries during the quarter.

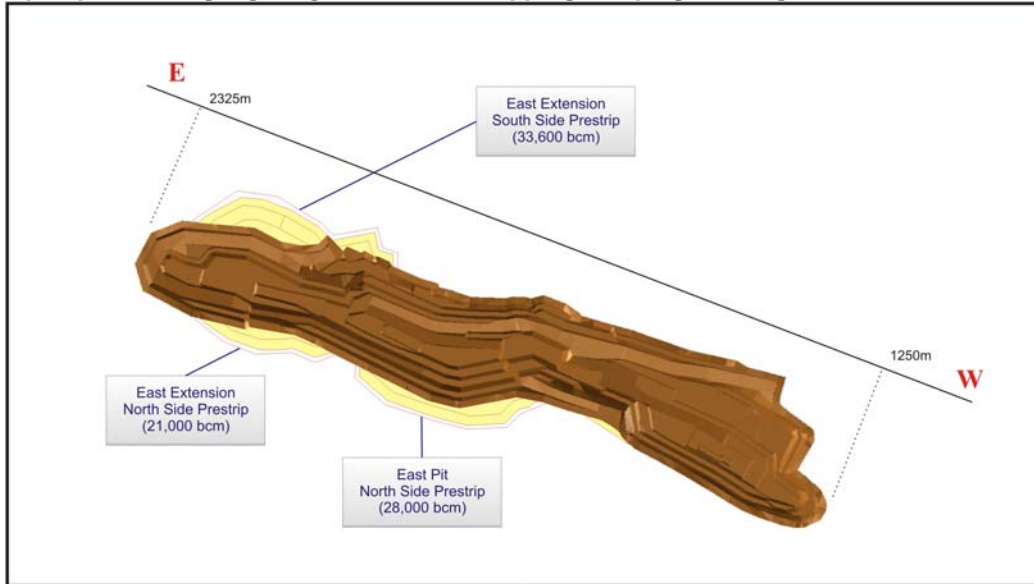
Svartliden produced 6,435 ounces of gold from 81,052 tonnes of ore milled at a head grade of 2.8 g/t gold and a cash cost of US\$1,277 per ounce. The high cash cost, which was anticipated, is the result of a high stripping ratio (all waste mining costs are expensed and included in cash costs (approximately US\$525/oz)), processing of low grade stockpiles, lower plant recoveries and adverse USD/SEK exchange rate movements compared to the previous quarter.

Ore mined was 62,452 tonnes at an average grade of 3.0 g/t gold. Due to the successful 2010 drilling campaign that resulted in open cut production being extended, three extensive stripping campaigns continued at the eastern end of the open pit, resulting in 837,468 tonnes of waste being mined at a waste to ore ratio of 13.4:1. The removal of a large quantity of waste will continue for the remainder of the year at a waste to ore ratio of 18:1 (See diagram below).

The low head grade for the quarter was mainly the result of processing 10,423 tonnes from the low grade stockpiles at an average grade of 2.1 g/t. A further 120,000 tonnes of low grade is expected to be processed in 2011 due to the cutback campaigns, however the Company is still forecasting to produce 35,000 ounces of gold for the year.



Open pit shell highlighting the various stripping campaigns being conducted in 2011.



The low grade feed to the processing plant resulted in recoveries of 88.9%. The process plant utilisation was at 96.5% due to a mill reline in February.

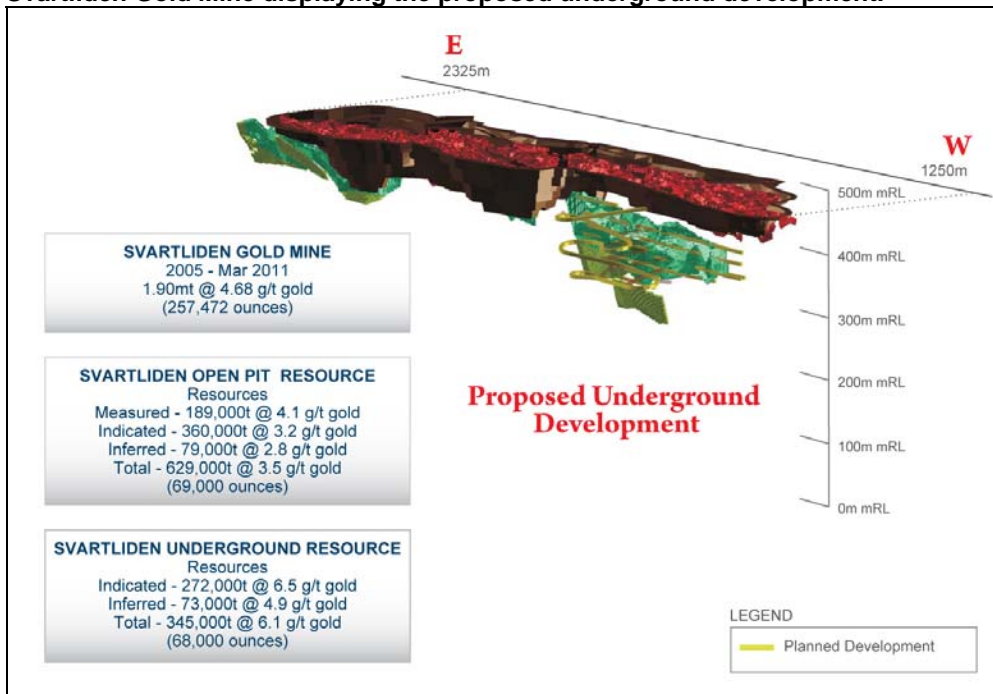
The USD weakened against the Swedish krona (USD has weakened 7% since December 2010), which also contributed to the higher cash costs in USD terms (approximately US\$54/oz).

Underground Development

The company awarded a contract to Lemminkäinen Sverige AB to complete the decline and undertake underground mining. The work is scheduled to commence early in the third quarter of 2011 and should allow a seamless transition of ore supply from the open cut mine to underground mine.

The contract is for 3,500 metres of decline and lateral development and will commence from 80m below surface in the north western end of the open pit. The decline, which will cost US\$6.5m is expected to be completed within 12 months with the first ore available in 2012.

Svartliden Gold Mine displaying the proposed underground development.





FINLAND

Vammala Production Centre

Table 2 – Production Summary

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Plant Utilisation (%)	Total Gold Production (Ounces)	Cash Cost US/oz
Mar 2011 Quarter	44,025	48,087	6.4	86.9	85.3	8,621	785
Dec 2010 Quarter	42,923	57,464	4.4	86.5	91.7	7,338	982

Two lost time injuries occurred during the quarter. At Jokisivu, a contractor fell from a working platform and hurt his back and a process operator knocked and injured his head.

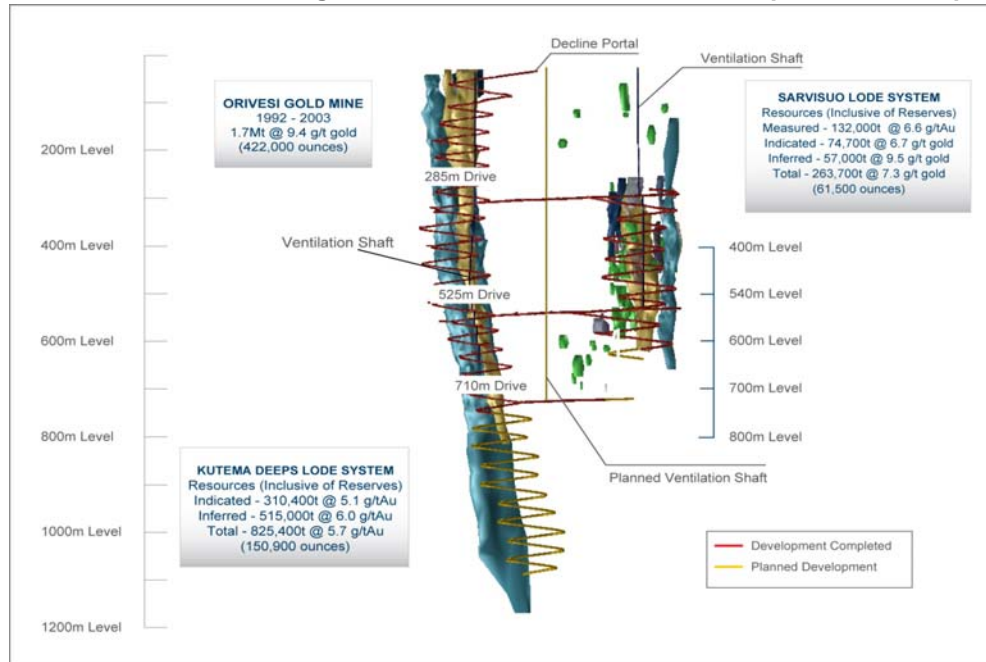
Production at Vammala was 8,621 ounces of gold from 48,087 tonnes of ore milled at a head grade of 6.4 g/t gold and an average cash cost of US\$785 per ounce (including refining costs of US\$220 per ounce). All ore was sourced from the Orivesi Gold Mine.

The Vammala plant operated effectively but freezing weather conditions in January and February hindered production due to problems with water process circulation power supply interruptions and ore freezing in the ore bins. In total, 3.5 days of production was lost due to the weather.

Orivesi Gold Mine

35,033 tonnes of ore was mined from the Sarvisuo ore lodes, whilst 8,992 tonnes was extracted from pillars in the Kutema area above the 720m level. The Sarvisuo decline advanced 175m to the 600m level.

Orivesi Gold Mine showing Kutema and Sarvisuo ore lodes and planned development.



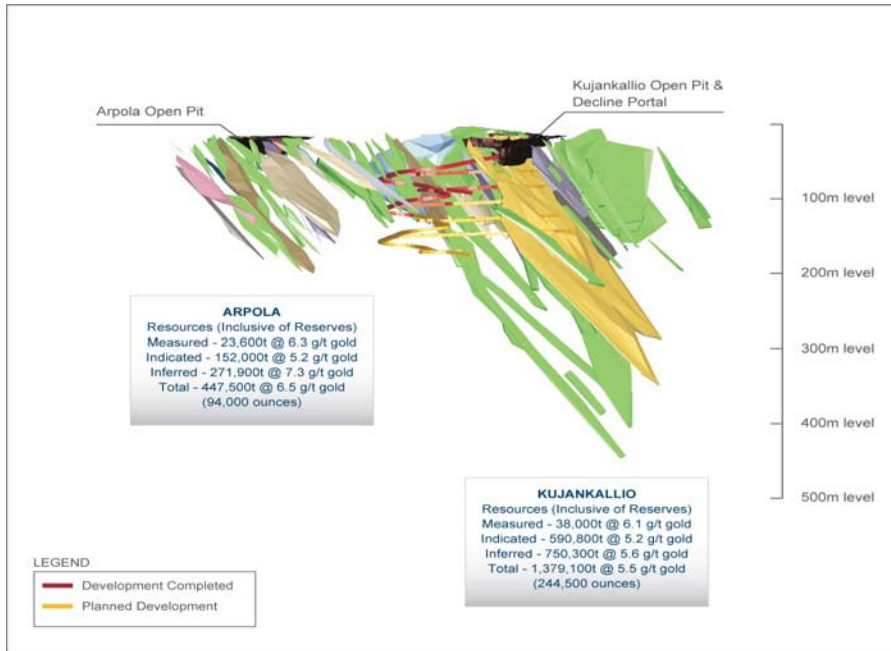
The development of the Kutema Deeps decline from the 720m level commenced in January and advanced 142m by the end of March. The 740m access drive also commenced from the decline and development ore is expected in August.

The development of an exploration drive on the 710m level continued, advancement stopped 56.7 metres from its planned final length to allow drilling of the Sarvisuo West area. The 710m level drive extends from the Kutema decline to the Sarvisuo area. A total of 61.3 metres of development were completed during the quarter.



Jokisivu Gold Mine

Jokisivu Gold Mine showing Kujankallio and Arpola deposits and planned development.



Development of the decline to provide access for underground mining of the Kujankallio deposit commenced at the end of September 2010 and advanced 291m in the quarter. The portal is located in the Kujankallio open pit, 35m below surface and since commencement, the decline has advanced 655m or 95m in vertical depth. The development of the Kujankallio decline is on schedule and budget, with ore expected to be processed in the coming quarter.

A small open pit commenced at Arpola where 5,000 ounces (43,260t @ 3.95 g/t) of gold is expected to be extracted. The removal of overburden commenced and is being used to construct noise barriers. First ore will be transported to the Vammala Production Centre in April 2011. Mining from the open pit is expected to be completed in June.

Commencement of Mining at the Arpola deposit.





EXPLORATION

SOUTHERN FINLAND

Orivesi Gold Mine

Drilling of a 23 hole, 4,115 metre underground diamond core program designed to test the Sarvisuo West area between the 480m and 620m levels was completed. Results have been received from 18 holes, which have returned a series of encouraging intercepts over narrow widths, including **1.70m @ 6.22 g/t gold**. All results are provided in Appendix 1.

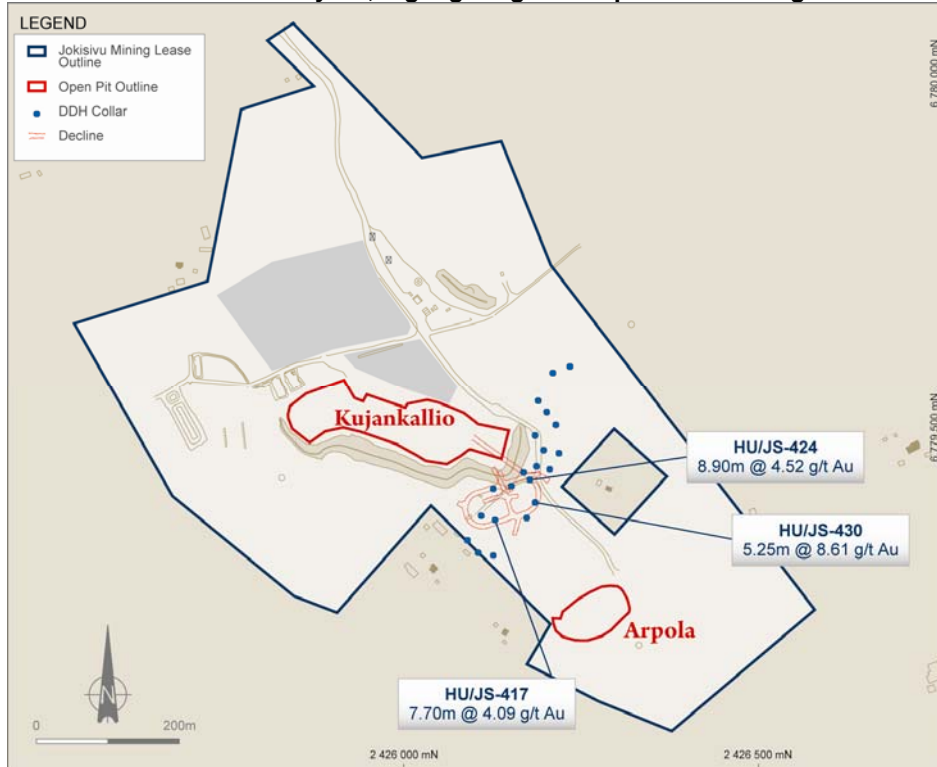
The Sarvisuo West area is potentially a new mineralised pipe or pipe cluster in close proximity to existing development. A second program targeting this area, between the 620m and 720m levels is now in progress. A total of 6 holes of the 22 hole, 4,000 metre program have been completed with assay results have been received for 1 hole, which returned no significant results.

Jokisivu Gold Mine

A diamond core drilling program at Kujankallio designed to target the area between the Kujankallio and Arpola deposits was completed. Results have been received for all 21 holes, returning intercept highlights of **7.70m @ 4.09 g/t gold**, **5.25m @ 8.61 g/t gold** and **8.90m @ 4.52 g/t gold** (Appendix 2).

This zone of gold mineralisation, which is located close to the decline development will require further drilling to better define its extent and geometry prior to mining.

Jokisivu Gold Mine site layout, highlighting intercepts from drilling between Kujankallio and Arpola.



Drilling of an 18 hole, 3,170 metre in-fill program commenced at Kujankallio during the quarter targeting the planned underground mining area at the eastern most end of the deposit. A total of 10 holes have been completed, with results available from 3 holes that returned intercept highlights of **7.05m @ 5.82 g/t gold** and **3.60m @ 8.44 g/t gold** (Appendix 3). Each of these intercepts is located within the Main Zone at Kujankallio.

An underground drilling program designed to test for repetitions of the horsetail structure at Kujankallio commenced in late March. The program is being undertaken from the 85m level and comprises of 7 drill holes (1,800 metres) in two fans drilled partly along strike.



Vammala Nickel-Copper Project

Five holes, 914.2 metres were drilled at the Holppi target on the Vammala Nickel-Copper Project, targeting the Stormi intrusion.

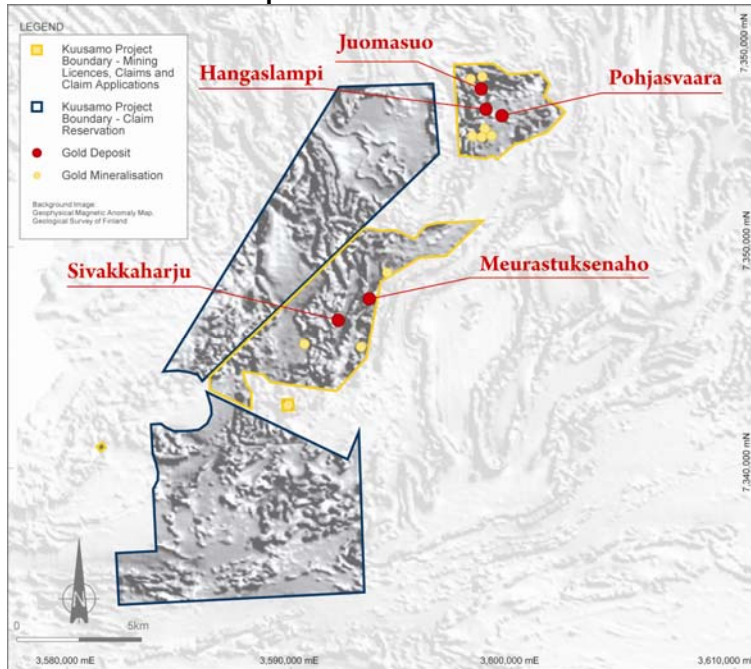
Analysis for nickel, copper and gold has returned intercepts of **0.95m @ 0.51% copper**, **1.00m @ 0.24% nickel and 0.71% copper** and **7.15m @ 0.23% nickel and 0.21% copper** (Appendix 4). Gold analysis returned modest intercepts of **0.70m @ 1.54 g/t gold** and **0.75m @ 3.05 g/t gold**.

All results will now be incorporated into existing 3D models of the historic Stormi nickel-copper deposit and reviewed.

NORTHERN FINLAND

Kuusamo Gold Project

Location of known deposits.



Results from the initial phase of drilling of the Juomasuo gold deposit at the Kuusamo Gold Project have been received. Analysis returned a series of encouraging high grade intercepts, including **14.55m @ 4.81 g/t gold**, **1.95m @ 42.20 g/t gold**, **11.85m @ 5.30 g/t gold**, **5.30m @ 12.97 g/t gold**, **2.00m @ 12.96 g/t gold**, **2.00m @ 18.35 g/t gold**, **1.95m @ 10.81 g/t gold** and **1.00m @ 50.40 g/t gold**.

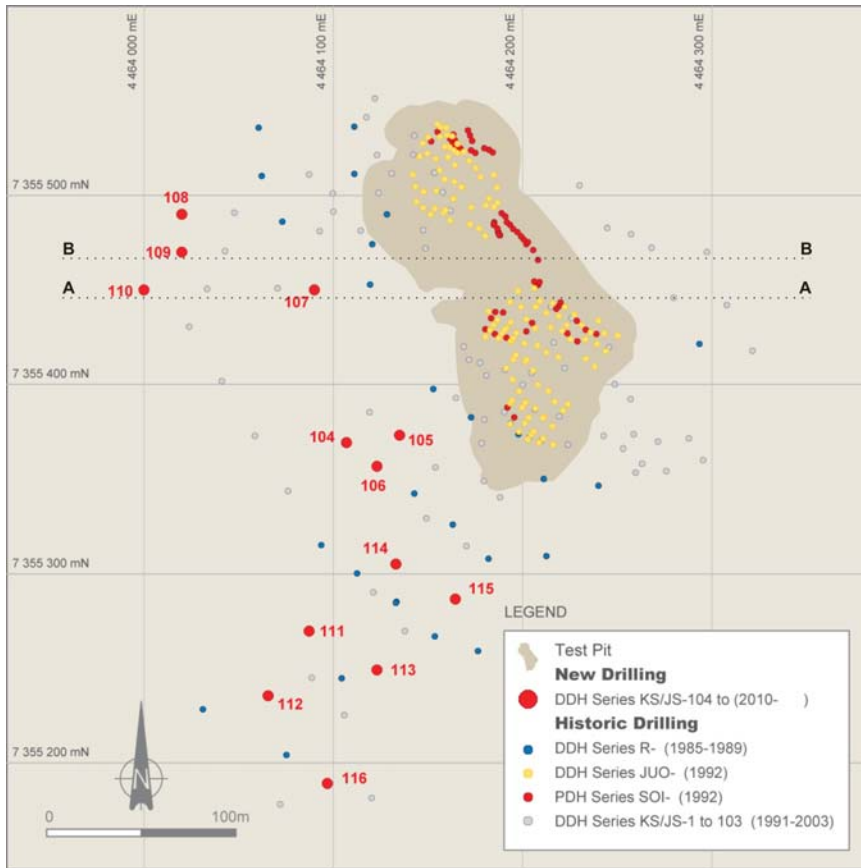
These intercepts confirm the extensions of the targeted lodes in concert with the geological models developed for the Juomasuo Mineral Resource and identified indications of additional lodes parallel to the existing lode set. Multi-element analysis has also highlighted the presence of elevated cobalt and rare earth elements, either in conjunction with gold mineralisation or separately, and the occurrence of sporadic elevated levels of copper and uranium.

This initial phase of a 12 month, 20,000 metre diamond core drilling program commenced in mid-November and targeted the depth and strike extensions of the northern portion of the Juomasuo gold deposit. Seven holes (1,801.80 metres) were completed in this campaign, with the results for all drill holes provided in Appendix 5 and displayed in the diagrams below.

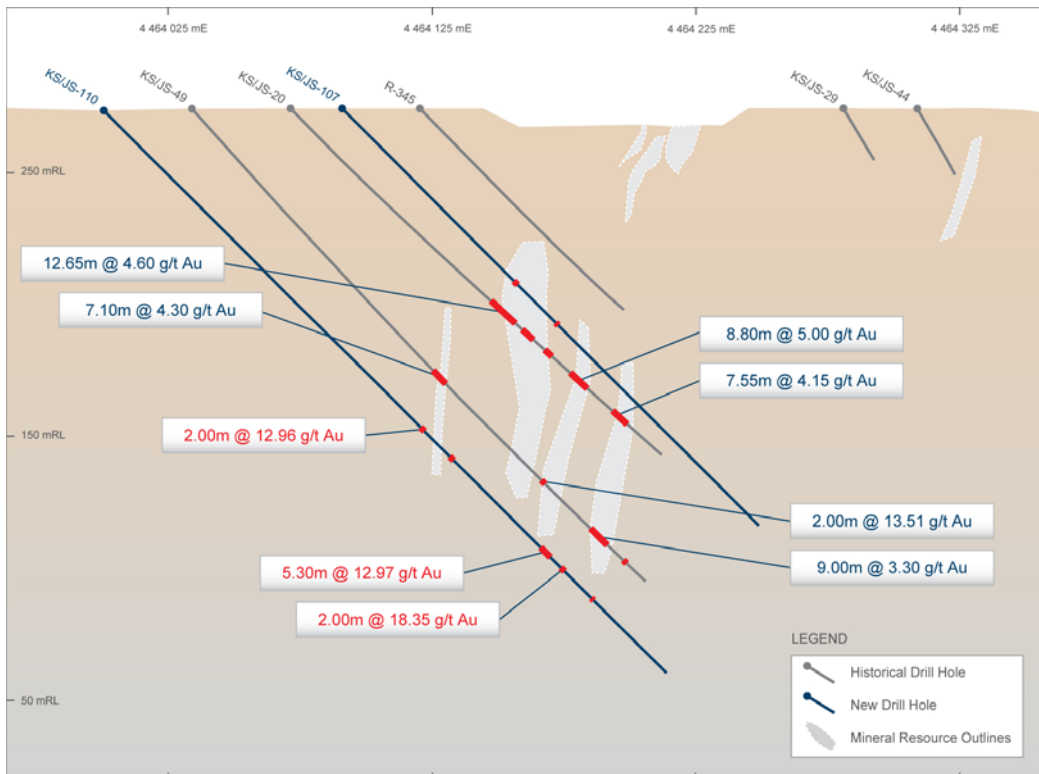
The Juomasuo gold deposit forms part of the Kuusamo Gold Project and is the largest of the five deposits identified to date. It comprises a set of closely spaced sub-parallel lodes, which strike NW-SE over 280 metres in length and plunge steeply to the south and the southwest. To a depth of approximately 240 metres below surface, the Juomasuo deposit has a resource inventory averaging 1,100 ounces per vertical metre (OVM), the continuity of the mineralized system below this depth appears excellent and only constrained by drilling.



Juomasuo drill hole plan

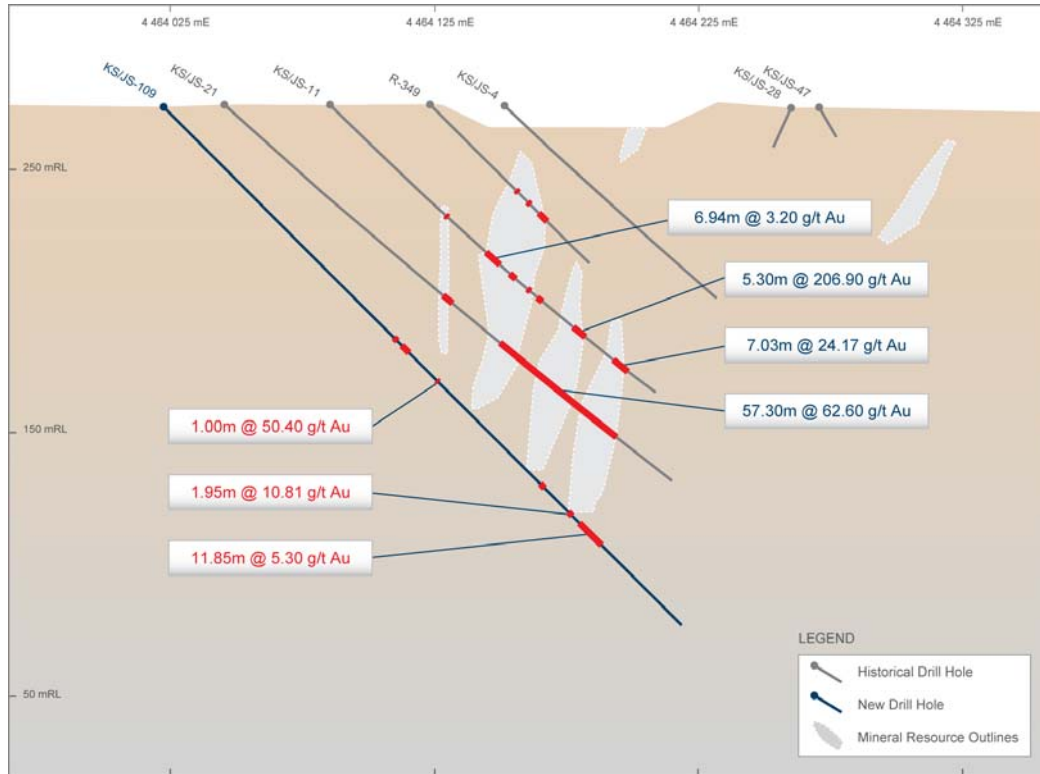


Juomasuo cross section – 7355450 mN, (Profile A-A).





Juomasuo cross section – 7355470 mN, (Profile B-B).



The second phase of diamond core drilling, designed to test the strike and depth extensions of the southern portion of the Juomasuo gold deposit is in progress with 2,250 metres of the 3,400 metre program completed.

A preliminary gold result of **34.90m @ 9.30 g/t gold** from the top half of drill hole KS/JS-113 has been obtained from this campaign. This intercept confirms the continuity of, and increases the width of one of the sub-parallel lodes located in the southern portion of the Juomasuo deposit. Final results, including base metals, rare earth elements and uranium remain pending for this hole and other holes completed in this phase of drilling.

A number of prospective, untested or poorly tested geophysical anomalies to the east of Juomasuo and between the Juomasuo and Hangaslampi deposits were identified during a review of historical geophysical data. Five of these areas have been the subject of an 8 hole, 800 metre drilling campaign that was completed during April. Results are pending.

One drilling rig is currently active on site and focussed on the completion of the second campaign of drilling. A second diamond core rig will mobilise to site and commence drilling during April. It will drill a new 14 hole, 4,200 metre campaign that will further test the northern portions of the Juomasuo deposit, down to approximately 250 metres below surface.

The first results from a re-assaying program were received during the quarter, with the analysis of 6 holes from the Juomasuo deposit. The program of confirmation sampling comprises of the collection of samples from known gold intervals and previously un-sampled intervals of historic drill core.

Assays have returned gold at levels that compare favourably with historic values, highlighting the good reproducibility of results including a bonanza intercept of 50.80m @ 71.99 g/t gold, which re-assayed at 75.92 g/t gold over the same interval (Appendix 6 and 7).

To improve the geological models for Juomasuo and the four other gold deposits at the Kuusamo Gold Project, the relogging of available historic drill core will continue, with samples of drill core or residual pulps from historic gold intervals and previously un-sampled intervals of geological interest to be submitted for gold and multi-element analysis.



Independent environmental consulting group, Ramboll Finland Oy have been engaged by the Company to assist with the environmental impact assessment. Environmental baseline studies to support this process have commenced with the collection of water samples from within the area of influence of the potential mine area.

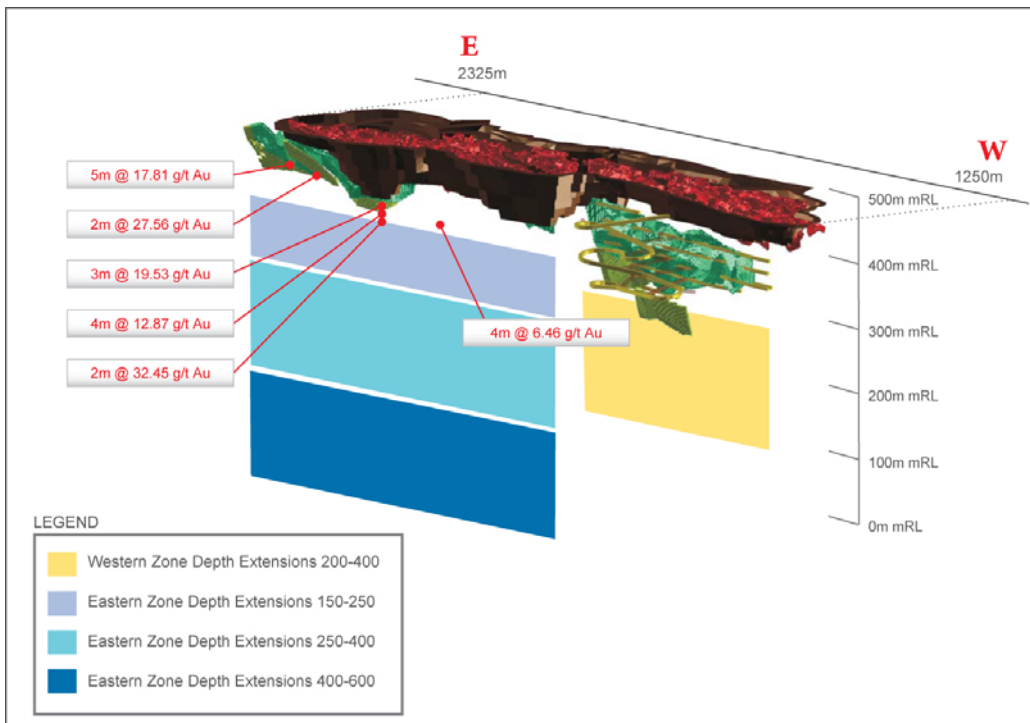
Collectively these activities form part of an expansive program that will be carried out during 2011, which will also include mining and metallurgical studies. The Kuusamo Gold Project forms an integral part of the Dragon Mining's plan to significantly increase production levels, with the Company seeking to capitalize on the excellent potential of the project.

SWEDEN

Svartliden Gold Mine (Dragon 80%)

Diamond core drilling continued at the Svartliden Gold Mine with 13 holes completed for a total advance of 4,359.9 metres. This drilling was primarily focussed on targeting the depth extensions of the western and eastern portions of the Svartliden deposit.

Svartliden Gold Mine depth extension drill panels



The western campaign of drilling was designed to target the panel between 200 and 400 metres below surface. A total of 13 holes of a 17 hole campaign have been drilled for an advance of 4,067.25 metres.

Analysis has been received for the 13 drilled holes, returning a best intercept of **1.0m @ 6.8 g/t gold** (Appendix 8). Overall the results for this campaign were disappointing, though drilling has provided a significant amount of information that will assist in the improving of the Svartliden geological model and planning for future drilling programs.

Four holes have been completed in the eastern drilling campaign, that was designed to test a panel between 150 and 250 metres below surface. Results have been received from 2 of the 4 holes, each returning narrow zones of weak gold anomalism.

Drilling of the eastern campaign will resume in May with one rig, as both drill rigs have currently been freed to undertake programs on near mine and regional targets whilst ground conditions in these areas remain snow covered and accessible.



Results for the final 7 holes from the Eastern Zone Depth Extension 80-200 campaign have been received. This 36 hole, 7269.48 metres phase of drilling returned a number of intercepts including **4.0m @ 12.87 g/t gold, 2.0m @ 32.45 g/t gold, 3.0m @ 19.53 g/t gold and 2.0m @ 12.5 g/t gold**. All results are provided in Appendix 9.

The 22,000 metre program instigated in March 2010 has now been completed, the results from drilling completed since the September 2010 resource update to be incorporated into a new resource update that is expected to be completed in May.

A total of 15,000 metres has been proposed to be completed at Svartliden for the remainder of 2011, these metres further targeting the depth extensions, particularly the eastern portion of the deposit and testing areas lateral of the deposit to the north and south.

Svartliden Gold Mine – Regional

Results were received from an exploration program completed on the Svartliden West area where seven targets were subject to shallow reconnaissance drilling or trenching. Analysis of drill samples returned anomalous gold results from those holes that intersected mineralised material, providing confidence that potential remains for the identification of satellite zones of gold mineralisation within the extensions of the Svartliden host geological sequence. Results will be reviewed prior to the planning of a series of deeper drill holes to further evaluate this area.

A reconnaissance drilling program has been completed in the Finnäs East and Finnäs target areas, 6 kilometres west of the Svartliden Gold Mine. The program was designed to test coincident geochemical and geophysical anomalies. A total of 14 shallow holes were completed across the targets for an advance of 386.25 metres. Results are pending.

A program of bedrock drilling was undertaken in the Tallberget area during the previous quarter testing an area identified from geophysical and geochemical surveys. A total of 29 holes were completed for an advance of 517.6 metres. Results are pending.

Harsund Joint Venture (Earning 80% interest)

Dragon Mining entered into an Agreement with listed Swedish entity Botnia Exploration AB (Botnia) on Botnia's 100%-owned Exploration Permit, Harsund nr 1, 4 kilometres northeast of the Svartliden Gold Mine.

A program of shallow reconnaissance drilling commenced on the Sjöleden target area in the northern part of the Joint Venture area. A program of 18 holes (500 metres) is planned to examine an area where grab sampling of outcrop material returned gold values ranging up to 9.6 g/t gold. By the end of the quarter, 2 holes were completed, one of which returned visible gold from 40.5 metres down hole. Assay results are pending.

Preparation to undertake a detailed airborne magnetic survey over Dragon Mining's northern Permit holding and including the Harsund Joint Venture area commenced. The proposed survey encompasses approximately 2,000 line kilometres and is to be flown by helicopter on a line spacing of 50 metres and mean terrain clearance of 30 to 40 metres. Danish based geophysical contractors SkyTEM Surveys ApS have been engaged to undertake the survey that is expected to commence in early May.

RESOURCE AND RESERVE INVENTORIES

The gold resource inventory for Dragon Mining's Nordic gold projects now exceeds 1 million ounces, following the completion of a series of Mineral Resource updates that have resulted in a combined total resource of **6.69mt grading 5.2 g/t gold for 1,124,900 ounces**, depleted for mining to 31 December 2010 (Appendix 10). This represents an increase of **13%** in contained ounces over the 31 December 2009 combined gold resource total of 6.09mt grading 5.1 g/t gold for 994,200 ounces.

The Proven and Probable Ore Reserves for the Nordic gold projects have also been updated to a total of **1.89 million tonnes grading 3.8 g/t gold for 231,030 ounces** (Appendix 11), which represents an increase from the 31 December 2009 Ore Reserve of 0.69 million tonnes grading 4.1 g/t gold for 90,900 ounces. The reserve increase is the result of the inclusion of Reserves from a series of new developments at the Company's operating gold mines in Sweden and Finland.



INVESTMENTS

AUSTRALIA

Weld Range Metals Limited (Dragon 40%)

WRM continued to evaluate various capital raising opportunities to fund the feasibility study for the project to produce refined stainless alloy as a feedstock for stainless steel mills. WRM presented to a number Asian and European investors over the past months.

ERITREA

Further to the sale of the 20% interest in the Zara Gold Project, Eritrea, Dragon Mining is entitled to payment of \$4.0 million from Chalice Gold Mines Limited on the delineation of a 1 million ounce gold Reserve at the Zara Gold Project. On 4 June 2010, Chalice announced a maiden gold Reserve at the Zara Gold Project of 760,000 ounces from an Indicated gold Resource of 840,000 ounces.

FINLAND

Kuhmo Nickel Joint Venture (5% Free Carried Interest)

ASX listed Altona Mining Limited (ASX Code: AOH) have advised Dragon that no field activities were undertaken on the Kuhmo Nickel Joint Venture during the quarter.



CORPORATE

Cash Balances and Movements

As at 31 March 2011, Dragon Mining held \$28.2m in cash, \$5.4m in bullion and net gold concentrate receivables and \$4.3m of cash deposits lodged with Swedish authorities as rehabilitation bonds.

The principal movements in the cash balance during the quarter were attributable to:

	Q1	YTD
	\$(m)	\$(m)
Operating Cash flows		
Gross cash inflows from operations	12.0	12.0
Cash outflows for rehabilitation bonds, overhead and operational support costs	(0.8)	(0.8)
Net operating cash flows	11.2	11.2
Investing Cash flows		
Exploration expenditure	(2.8)	(2.8)
Development expenditure	(3.8)	(3.8)
Capital purchases	(0.1)	(0.1)
Other	(0.1)	(0.1)
Net investing cash flows	(6.8)	(6.8)
Financing Cash flows		
Net interest received/(paid)	0.2	0.2
Foreign exchange gains on cash balances held in foreign currency	0.2	0.2
Net financing cash flows	0.4	0.4
INCREASE IN CASH	4.8	4.8

Gold Sales

7,595 ounces of gold production from Svartliden was sold at an average cash price of US\$1,364 per ounce.

8,604 ounces of gold concentrate from the Vammala Production Centre and 788 ounces of bullion held from Jokisivu was sold at an average price of US\$1,385 (gross of refining costs).

Listed Investments

Dragon Mining holds 2,333,334 shares in Chalice with a market value of approximately \$1.1m.

Factoring

As there is a minimum six week delay between shipment of gold concentrate produced at the Vammala Production Centre and payment by the refiner, the Company has a receivables facility (factoring) with Nordea Bank in Finland. Dragon Mining can receive loan funds from Nordea for up to 75% of gold concentrate delivered and invoiced. At the end of the quarter, no receivables were factored.

Hedging

Dragon Mining implemented a short term hedging strategy which comprises 16,000 ounces of gold denominated in Swedish krona (SEK). The increased mine life at Svartliden has resulted in a large development commitment in 2011 with an extensive cutback campaign in the open pit and the commencement of the underground decline (expected in July 2011).

A tactical hedging strategy has been implemented which involves short dated (12 month) hedging of 16,000 ounces of gold forward contracts (denominated in SEK). Each month, the Company will deliver into the required forwards and replace the same amount at the back end. This results in 16,000 ounces of gold (denominated in SEK) being hedged until the large development commitment has been completed (mid 2012). In other words, the Company will continue to deliver into the hedge and replace the same quantity of hedging with the last hedge delivery due in mid 2012.

The implementation of this hedging strategy will stabilise the short term cash flow and takes advantage of the high price of gold and will only represent 50% of the production from Svartliden in any 12 month period.

**Table 3 – Group hedging profile as 31 March 2011**

Gold Hedging	Ounces	Gold Price – USD	Exchange Rate USD/SEK	Gold Price – SEK
30/04/2011	1,500	1353.50	6.4278	8,700
31/05/2011	1,500	1353.50	6.4278	8,700
30/06/2011	1,500	1353.50	6.4278	8,700
31/07/2011	1,500	1353.50	6.4278	8,700
31/08/2011	1,500	1353.50	6.4278	8,700
30/09/2011	1,500	1353.50	6.4278	8,700
31/10/2011	1,500	1353.50	6.4278	8,700
30/11/2011	1,500	1353.50	6.4278	8,700
31/12/2011	1,800	1,361.25	6.6173	9,008
31/01/2012	1,600	1,396.00	6.4610	9,020
29/02/2012	600	1,412.50	6.4510	9,112
Total	16,000	1,360.85	6.4327	8,754

Using the 31 March 2011 spot gold price of US \$1437.36 and USD/SEK exchange rate of 6.3004, the mark to market of the hedge book was a negative amount of US \$1.0m.

On-Market Share Buy Back

No shares were purchased during the quarter as part of the on-market share buyback. Dragon Mining will continue to monitor the share price as part of its capital management initiatives.


Appendix 1 – Results from the 480m and 620m levels at Sarvisuo West, Orivesi Gold Mine.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
KU-1185	6838489.17	2508812.76	316.4	-23.0	85.00	1.00	2.84
					104.50	1.50	1.46
					191.00	0.70	3.62
KU-1186	6838489.04	2508812.73	311.1	-17.8	No significant intercepts		
KU-1187	6838489.18	2508812.86	323.7	-21.0	No significant intercepts		
KU-1188	6838489.10	2508812.73	320.4	9.7	71.50	0.85	2.11
KU-1189	6838489.13	2508812.50	307.2	-0.1	No significant intercepts		
KU-1190	6838489.02	2508812.48	304.6	-6.5	85.20	1.15	4.14
KU-1191	6838489.20	2508812.84	327.7	14.1	No significant intercepts		
KU-1192	6833414.12	2497628.33	218.9	5.2	58.00	2.00	1.37
					166.00	1.00	2.21
					223.65	1.05	1.12
KU-1193	6833195.30	2497619.52	322.8	-0.2	230.00	1.00	3.51
KU-1194	6838489.23	2508812.66	319.1	-6.1	No significant intercepts		
KU-1195	6838479.31	2508689.73	29.6	-28.2	2.00	1.00	6.35
					72.00	1.00	6.40
					56.00	2.45	3.92
KU-1196	6833195.30	2497619.52	352	-9.5	113.00	1.70	6.22
					0.00	1.50	16.23
					0.00	0.80	14.55
KU-1199	6838480.42	2508688.78	6.4	9.8	0.00	0.80	14.55
KU-1202	6838480.17	2508689.19	9.6	-12.3	0.00	1.40	11.48
KU-1203	6838482.66	2508685.66	346.7	1.3	58.10	0.90	1.68
KU-1205	6838479.85	2508689.42	17.0	-12.6	0.95	0.90	39.80
					84.70	1.05	1.05
					134.85	1.25	1.90
KU-1206	6838482.19	2508685.53	338.4	-29.6	179.40	0.70	1.16
					51.70	0.40	70.00
					58.40	0.60	3.38

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 a 1 g/t gold cut-off.

Appendix 2 – Results from area between the Kujankallio and Arpola deposits, Jokisivu Gold Mine.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)					
Profile 15												
HU/JS-411	6779333.77	2426089.66	206.0	-48.0	No significant intercepts							
					10.50	1.50	11.85					
					137.00	1.50	1.21					
HU/JS-413	6779406.68	2426125.13	206.0	-66.0	164.55	0.55	1.25					
					No significant intercepts							
					138.00	1.60	34.44					
HU/JS-415	6779570.91	2426205.53	206.0	-67.0	143.00	2.00	3.59					
					Profile 16							
					No significant intercepts							
HU/JS-416	6779317.29	2426103.11	206.0	-52.0	31.20	1.00	1.67					
					43.80	7.70	4.09					
					56.45	3.65	3.22					
HU/JS-417	6779363.16	2426125.65	206.0	-52.0	65.20	2.45	2.61					
					73.90	1.55	8.77					
					51.35	1.00	10.35					
HU/JS-418	6779409.17	2426148.00	206.0	-52.0	114.00	1.00	1.64					
					140.60	0.95	1.46					
					42.15	1.05	1.43					
HU/JS-419	6779431.09	2426167.79	209.0	-55.0	154.50	1.00	1.53					
					181.80	1.05	1.70					
					109.70	1.30	2.30					
HU/JS-420	6779482.49	2426183.85	206.0	-58.0	135.00	1.00	2.30					
					139.90	0.95	5.62					
					89.50	1.50	1.13					
HU/JS-421	6779515.20	2426199.75	206.0	-62.0	135.20	0.70	1.45					
					Profile 17							
					No significant intercepts							
HU/JS-423	6779316.27	2426124.86	206.0	-53.0	24.00	1.50	1.04					
					51.00	1.50	1.51					
					64.50	1.50	2.50					
HU/JS-424	6779419.30	2426175.11	206.0	-45.0	87.00	1.00	2.08					
					96.85	0.65	1.55					
					104.30	8.90	4.52					



					117.50	6.00	2.25
					131.00	1.00	1.04
					158.20	1.00	1.07
HU/JS-425	6779439.28	2426184.13	206.0	-58.0	3.90	1.40	1.93
					131.50	1.00	1.40
					164.55	2.75	5.16
HU/JS-426	6779460.55	2426194.53	206.0	-68.0	No significant intercepts		
HU/JS-427	6779498.13	2426212.25	206.0	-69.0	66.90	1.50	4.52
					72.25	1.20	1.03
Profile 18							
HU/JS-429A	6779366.22	2426169.93	206.0	-60.0	21.80	2.20	1.73
HU/JS-429B	6779357.24	2426165.55	206.0	-60.0	13.65	1.20	4.03
					48.45	0.70	1.61
					87.60	1.00	1.42
					94.15	1.00	1.05
					112.70	0.65	1.81
					126.50	0.75	1.17
					135.90	1.10	4.61
HU/JS-430	6779388.74	2426180.89	206.0	-63.0	17.50	1.00	1.21
					48.50	1.05	1.64
					53.65	1.00	3.56
					57.60	1.00	1.62
					97.00	1.00	1.36
					99.50	1.00	1.13
					102.50	1.10	1.19
					113.00	1.00	1.64
					121.00	5.25	8.61
					Includes 1.30m @ 31.34 g/t gold from 121.00 metres		
					133.25	0.70	1.43
					138.40	1.60	1.77
					168.25	0.70	2.23
HU/JS-431A	6779434.21	2426203.02	206.0	-62.0	9.00	1.50	4.71
					30.00	1.00	1.03
HU/JS-432	6779457.70	2426214.46	206.0	-68.0	98.40	1.00	1.84
					123.50	1.35	2.03
					199.15	0.95	1.18
HU/JS-434	6779542.13	2426234.31	206.0	-68.0	No significant intercepts		

Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using procedure Au-AA25 (30g FA with AAS finish) and Au-GRA21 (FA+gravimetric finish), following sample preparation at ALS facility in Outokumpu, Finland. Reported at a 1 g/t gold cut-off.

Appendix 3 – Results from infill drilling of Kujankallio, Jokisivu Gold Mine.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
Profile 10							
HU/JS-422	6779564.21	2426091.31	206.0	-52.0	92.85	2.75	7.99
					110.50	0.80	4.72
					118.00	0.65	1.30
Profile 11							
HU/JS-428	6779556.11	2426108.96	206.0	-51.0	8.50	1.50	2.27
					52.90	1.10	1.08
					88.80	3.60	8.44
					109.60	1.15	4.88
HU/JS-433	6779563.30	2426112.46	206.0	-56.0	55.90	1.00	3.40
					60.00	0.85	1.57
					96.75	7.05	5.82
					Includes 2.00 metres @ 15.69 g/t gold from 96.75 metres		

Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using procedure Au-AA25 (30g FA with AAS finish) and Au-GRA21 (FA+gravimetric finish), following sample preparation at ALS facility in Outokumpu, Finland. Reported at a 1 g/t gold cut-off.

Appendix 4 – Nickel, copper and gold results from drilling in the Stormi Mining Lease area, Vammala Nickel-Copper Project.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Nickel (%)	Copper (%)	Gold (g/t)
VM/STO-1	6803623.92	2447790.52	188.6	-72.7	127.00	0.70	-	-	1.54
					132.10	0.75	-	-	3.05
VM/STO-2	6803526.74	2447800.85	157.2	-74.0	No significant intercepts				
VM/STO-3	6803588.89	2447899.83	180.0	-64.0	No significant intercepts				
VM/STO-4	6803424.54	2447987.30	225.0	-62.0	150.00	1.00	0.24	0.71	
					159.10	3.10	0.23	0.15	
					167.35	2.05	0.24	0.19	



					183.45	7.15	0.23	0.21	
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Analysis of half core for gold was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using procedure Au-AA25 (30g FA with AAS finish) and Au-GRA21 (FA+gravimetric finish), following sample preparation at ALS facility in Outokumpu, Finland. Reported at a 1 g/t gold cut-off. Analysis of half core for nickel and copper was completed at ALS Chemex Laboratories in Vancouver, Canada using procedure ME-MS61. Reported at a combined nickel-copper cut-off of 0.30%.

Appendix 5 – Results from initial diamond core drilling at Juomasuo, Kuusamo Gold Project.

Hole ID	Northing	Easting	Dip (°)	Azimuth (°)	From (m)	Interval (m)	Au (g/t)	Co (ppm)	Cu (ppm)	U (ppm)	TREO (ppm)
KS/JS-104	7355369.07	4464106.61	-55	36	127.90	14.55	4.81	1,148	430	1,402	429
					<i>Includes 1.80m @ 17.13 g/t gold from 130.70m</i>						
					148.50	1.20	3.12	351	216	56	132
					152.45	1.35	19.15	863	848	5,000	940
					162.20	0.90	1.02	4,540	1,260	80	608
					166.10	1.20	1.04	1,165	1,050	1,500	483
					174.20	1.95	42.20	1,093	533	1,822	506
					<i>Includes 1.05m @ 77.00 g/t gold from 174.20m</i>						
					186.20	2.80	6.01	426	801	4	107
					192.70	1.15	2.72	216	228	3	98
					196.00	5.25	1.81	233	70	2	107
KS/JS-105	7355373.12	4464134.96	-55	36	No significant gold intercepts						
KS/JS-106	7355350.04	4464116.88	-55	36	32.00	2.50	3.40	237	6	131	525
					211.40	1.30	1.72	1,810	718	3	162
					214.60	1.25	1.51	914	789	9	165
					217.80	1.00	1.03	2,870	812	2	257
KS/JS-107	7355450.03	4464090.10	-45	90	91.90	2.00	1.49	1,549	311	19	208
					114.55	1.35	1.34	709	576	3	555
KS/JS-108	7355490.20	4464020.07	-45	90	94.40	1.05	1.11	600	1	30	306
					171.95	1.05	5.58	285	2,490	4	112
KS/JS-109	7355470.16	4464016.49	-45	90	123.50	1.70	1.76	242	226	5	667
					127.70	3.95	2.57	1,204	298	19	736
					146.55	1.00	50.40	1,060	1,495	482	317
					202.00	2.20	5.49	193	255	17	87
					217.25	1.95	10.81	659	621	4	128
					223.15	11.85	5.30	1,442	834	70	172
					<i>Includes 1.00m @ 42.90 g/t gold from 232.00m</i>						
KS/JS-110	7355449.87	4463999.73	-45	90	169.80	2.00	12.96	514	252	602	220
					<i>Includes 1.20m @ 20.60 g/t gold from 169.80m</i>						
					185.20	2.00	4.63	1,028	202	10	185
					233.60	5.30	12.97	1,073	922	7	240
					<i>Includes 2.20m @ 20.34 g/t gold from 235.80m</i>						
					244.90	2.00	18.35	375	481	5	140
					261.10	1.20	3.91	2,040	727	4	202

Preparation of half core samples was completed at the ALS Chemex facility in Outokumpu, Finland, and analysis completed at ALS Chemex Laboratories in Rosia Montana, Romania, and Vancouver, Canada, using procedures Au-AA25, ME-4ACD81, ME-ICP06, ME-MS81. Gold values exceeding 3 g/t and uranium values exceeding 1,000 ppm were re-assayed by AU-GRA22 and U-XRF-10 methods, respectively. Total REO values have been calculated by the addition of REO values of Ce, Dy, Er, Eu, Gd, Ho, La, Lu, Nd, Pr, Sm, Tb, Tm, Y and Yb. The TREO values have been calculated as the sum of all REE as REE2O3, with the exception of Ce (CeO2), Pr (Pr6O11) and Tb (Tb4O7).

Appendix 6 - Comparison of gold results, Kuusamo Gold Project. Details of re-analysis of confirmation samples provided in Appendix 7.

Drill Hole	Historic Intercept	Confirmation Samples Intercept
KS/JS-8	1.30m @ 3.40 g/t gold from 78.15 m	1.30m @ 3.15 g/t gold from 78.15m
	2.00m @ 1.86 g/t gold from 91.60 m	2.00m @ 1.75 g/t gold from 91.60m
	5.35m @ 2.60 g/t gold from 126.30 m	5.35m @ 3.29 g/t gold from 126.30m
	3.00m @ 16.60 g/t gold from 139.00 m	3.00m @ 14.88 g/t gold from 139.00m
	7.00m @ 3.41 g/t gold from 147.00 m	7.00m @ 3.29 g/t gold from 147.00m
	5.32m @ 13.85 g/t gold from 176.00 m	4.37m @ 23.31 g/t gold from 176.00m



KS/JS-21	No significant intercept	1.24m @ 1.03 g/t gold from 108.96m
	2.04m @ 2.96 g/t gold from 112.60 m	2.04m @ 2.33 g/t gold from 112.60m
	2.90m @ 1.38 g/t gold from 137.90 m	2.90m @ 1.39 g/t gold from 137.90m
	50.80m @ 71.99 g/t gold from 144.40 m	50.80m @ 75.92 g/t gold from 144.40m
KS/JS-29	1.00m @ 2.20 g/t gold from 51.15 m	1.00m @ 1.97 g/t gold from 51.15m
	5.10m @ 9.25 g/t gold from 55.50 m	5.10m @ 8.32 g/t gold from 55.50m
KS/JS-49	4.25m @ 6.73 g/t gold from 134.50 m	4.25m @ 5.87 g/t gold from 134.50m
	1.00m @ 1.14 g/t gold from 140.60 m	1.00m @ 1.10 g/t gold from 140.60m
	2.00m @ 13.51 g/t gold from 193.00 m	2.00m @ 13.88 g/t gold from 193.00m
	1.60m @ 6.80 g/t gold from 200.20 m	1.60m @ 1.95 g/t gold from 200.20m
	4.50m @ 5.21 g/t gold from 219.00 m	4.50m @ 5.89 g/t gold from 219.00m
	4.20m @ 1.95 g/t gold from 226.20 m	4.20m @ 1.95 g/t gold from 226.20m
	1.70m @ 4.94 g/t gold from 235.80 m	1.70m @ 3.74 g/t gold from 235.80m
KS/JS-50	No significant intercept	1.20m @ 1.02 g/t gold from 161.00m
KS/JS-58	4.10m @ 6.42 g/t gold from 24.90 m	4.10m @ 5.56 g/t gold from 24.90m
	1.00m @ 2.50 g/t gold from 32.00 m	1.00m @ 1.64 g/t gold from 32.00m
	4.00m @ 12.80 g/t gold from 40.00 m	4.00m @ 11.45 g/t gold from 40.00m
	27.00m @ 13.04 g/t gold from 85.00 m	27.00m @ 11.35 g/t gold from 85.00m

Appendix 7 - Results from re-analysis of confirmation samples, Kuusamo Gold Project.

Hole ID	Northing	Easting	Dip (°)	Azimuth (°)	From (m)	Interval (m)	Au (g/t)	Co (ppm)	Cu (ppm)	U (ppm)	TREO (ppm)
KS/JS-8	7355290	4464121	-59.7	33.8	78.15	1.30	3.15	2,240	308	16	199
					91.60	2.00	1.75	2,100	7	251	127
					126.30	27.70	3.21	1,841	103	245	249
				Includes	126.30	5.35	3.29	818	10	71	178
			139.00		3.00	14.88	1,523	138	392	300	
			147.00		7.00	3.29	1,144	155	662	347	
			176.00		4.37	23.31	1,113	497	1,353	408	
KS/JS-21	7355471	4464043	-42.7	88.1	108.96	1.24	1.03	599	250	4	156
					112.60	2.04	2.33	570	248	3	318
					137.90	2.90	1.39	560	604	5	468
					144.40	50.80	75.92	1,300	877	183	257
				Includes	176.00	19.20	193.25	2,017	1,327	397	371
KS/JS-29	7355446	4464280	-45.8	35.7	50.19	10.41	4.37	1,918	370	16	828
				Includes	51.15	1.00	1.97	2,940	361	12	514
			55.50		5.10	8.32	1,545	400	15	553	
KS/JS-49	7355451	4464033	-48.4	89.4	134.50	4.25	5.87	3,675	594	208	362
					140.60	1.00	1.10	64	44	11	26
					193.00	2.00	13.88	1,265	798	703	307
					200.20	1.60	1.95	1,095	508	9	117
					219.00	4.50	5.89	922	1,083	4	159
					226.20	4.20	1.95	1,324	886	12	252
					235.80	1.70	3.74	1,000	173	2	130
KS/JS-50	7355430	4464024	-49.7	89.4	161.00	1.20	1.02	308	166	1,700	341
KS/JS-58	7355501	4464100	-44.5	88.7	24.90	4.10	5.56	309	474	8	161
					32.00	1.00	1.64	316	599	4	104
					40.00	4.00	11.45	1,077	658	10	722
					85.00	27.00	11.35	1,454	1,398	21	410

Confirmation samples represent residual pulp or half core samples that were collected at the same intervals as historic samples. Intervals of geological interest that previously were not assayed were also sampled and analysed. Sample preparation was completed at the ALS Chemex facility in Outokumpu, Finland, and analysis completed at ALS Chemex Laboratories in Rosia Montana, Romania, and Vancouver, Canada, using procedures Au-AA25, ME-4ACD81, ME-ICP06, ME-MS81. Gold values exceeding 3 g/t and uranium values exceeding 1,000 ppm were re-assayed by AU-GRA22 and U-XRF-10 methods, respectively, if sufficient sample material was remaining. Total REO values have been calculated through the addition of oxides of REE Ce, Dy, Er, Eu, Gd, Ho, La, Lu, Nd, Pr, Sm, Tb, Tm, Y and Yb. The TREO values have been calculated as the sum of all REE as REE₂O₃, with the exception of Ce (CeO₂), Pr (Pr₆O₁₁) and Tb (Tb₄O₇).


Appendix 8 - Results from Western Zone Depth Extensions 200-400 campaign, Svartliden Gold Mine.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
Profile 1325							
SV10403	7186913	1588180	341	-65	No significant intercepts		
Profile 1375							
SV10405	7186961	1588216	341	-58	No significant intercepts		
SV10406	7186924	1588229	341	-62	No significant intercepts		
Profile 1425							
SV10407	7186941	1588276	341	-56	263	1.0	2.30
					265.5	0.5	2.29
Profile 1450							
SV10409	7186946	1588301	341	-65	No significant intercepts		
Profile 1500							
SV10410	7186918	1588363	341	-52	No significant intercepts		
Profile 1550							
SV10412	7186959	1588402	341	-59	No significant intercepts		
Profile 1575							
SV10413	7186978	1588422	341	-59	No significant intercepts		
SV10414	7186942	1588434	341	-65	No significant intercepts		
Profile 1625							
SV10415	7187085	1588438	341	-72	No significant intercepts		
Profile 1637.5							
SV10416	7186983	1588486	341	-65	239.0	1.0	6.8
Profile 1650							
SV10417	7187001	1588493	341	-58	No significant intercepts		
Profile 1700							
SV10418	7187011	1588543	341	-66	No significant intercepts		

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.

Appendix 9 - Results from Eastern Zone Depth Extensions 80-200 campaign, Svartliden Gold Mine.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
Profile 1800							
SV10269	7187119	1588612	341	-53	No significant intercepts		
SV10270	7187119	1588612	341	-59	No significant intercepts		
Profile 1825							
SV10273	7187122	1588637	341	-50	No significant intercepts		
SV10297	7187119	1588638	341	-55	No significant intercepts		
Profile 1850							
SV10277	7187142	1588656	341	-49	No significant intercepts		
SV10295	7187119	1588638	341	-55	199.0	1.0	2.94
SV10296	7187142	1588656	341	-55	No significant intercepts		
Profile 1875							
SV10278	7187372	1588604	161	-50	No significant intercepts		
SV10279	7187153	1588679	341	-47	No significant intercepts		
SV10280	7187129	1588687	341	-59	No significant intercepts		
Profile 1900							
SV10283	7187135	1588712	341	-50	203.0	1.0	4.53
SV10300	7187375	1588629	161	-50	135.0	1.0	2.03
Profile 1925							
SV01305	7187162	1588729	341	-50	No significant intercepts		
Profile 1950							
SV10285	7187198	1588743	341	-50	122.0	1.0	2.03
Profile 1975							
SV10294	7187308	1588731	161	-45	No significant intercepts		
SV10306	7187312	1588730	161	-55	No significant intercepts		
Profile 2000							
SV10286	7187200	1588795	341	-45	170.0	4.0	6.46
					Includes 1.0 metre @ 15.3 g/t gold from 170.0 metres		
SV10287	7187167	1588806	341	-45	202.0	1.0	3.69
Profile 2025							
SV10291	7187242	1588807	341	-45	75.0	1.0	2.15
					85.0	1.0	2.18
					141.0	2.0	5.23
SV10292	7187242	1588807	341	-52	No significant intercepts		
Profile 2075							
SV10293	7187277	1588848	341	-45	118.0	5.0	3.79



Profile 2100							
SV10308	7187241	1588887	341	-55	No significant intercepts		
Profile 2125							
SV10309	7187288	1588897	341	-55	139.0	1.0	2.32
					144.0	2.0	2.72
					150.0	3.0	19.53
SV10310	7187257	1588908	341	-51	174.0	4.0	12.87
					Includes 1.0 metre @ 43.0 g/t gold from 176.0 metres		
SV10311	7187253	1588909	341	-55	175.0	1.0	2.28
					178.0	1.0	2.02
					183.0	2.0	32.45
SV10427	7187243	1588912	341	-56	193.0	6.0	1.97
SV10428	7187218	1588921	341	-60	No significant intercepts		
Profile 2150							
SV10312	7187300	1588919	341	-55	134.0	1.0	2.12
					139.0	8.0	3.76
					Includes 1.0 metre @ 16.6 g/t gold from 146.0 metres		
SV10313	7187272	1588929	341	-53	170.0	1.0	6.00
SV10429	7187263	1588932	341	-60	185.0	1.0	3.22
Profile 2175							
SV10314	7187286	1588951	341	-52	No significant intercepts		
SV10426	7187275	1588912	341	-56	174.0	1.0	2.11
					177.0	2.0	2.12
Profile 2200							
SV10315	7187292	1588975	341	-49	No significant intercepts		
Profile 2225							
SV10316	7187309	1588995	341	-55	157.0	2.0	12.5
					Includes 1.0 metre @ 22.9 g/t gold from 157.0 metres		
Profile 2325							
SV10317	7187328	1589094	341	-55	No significant intercepts		

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.

Appendix 10 – Scandinavian Gold Resource Inventory – Depleted to 31 December 2010

Classification	Tonnes	Gold (g/t)	Ounces
Svartliden Gold Mine, Sweden			
Measured	209,900	4.0	26,700
Indicated	967,200	3.6	113,200
Inferred	152,000	3.8	18,600
Total	1,330,100	3.7	158,200
Vammala Production Centre, Finland			
Measured	193,600	6.5	40,200
Indicated	1,311,200	5.2	217,800
Inferred	1,667,400	6.0	325,300
Total	3,172,200	5.7	583,200
Kuusamo Gold Project, Finland			
Measured	-	-	-
Indicated	786,000	7.0	177,000
Inferred	1,404,000	4.6	206,500
Total	2,189,000	5.4	383,500
Group Total			
Measured	403,500	5.2	66,900
Indicated	3,064,400	5.2	508,000
Inferred	3,223,400	5.3	550,400
Total	6,691,300	5.2	1,124,900

Appendix 11 – Scandinavian Gold Ore Reserves (31 December 2010)

Mine	Project	Classification	Tonnes	Gold (g/t)	Ounces
Svartliden	Svartliden - Open Pit	Proven	156,000	3.7	18,560
		Probable	209,000	3.4	22,850
	Svartliden – Underground	Proven	-	-	-
		Probable	294,000	4.3	40,680
Svartliden – Stockpiles	Proven	20,890	2.7	1,800	
	Probable	335,240	1.8	19,400	
Svartliden Gold Mine – Total		Proven	176,890	3.6	20,380
		Probable	838,240	3.1	82,930
		Total	1,015,130	3.2	103,310



Orivesi	Sarvisuo – Underground	Proven Probable	- 155,240	- 4.7	- 23,230
	Kutema – Underground	Proven Probable	- 72,060	- 3.2	- 7,410
	Kutema Deeps – Underground	Proven Probable	- 263,370	- 4.9	- 41,490
Orivesi Gold Mine – Total		Proven Probable	490,670	4.6	72,130
		Total	490,670	4.6	72,130
Jokisivu	Kujankallio – Underground	Proven Probable	- 346,700	- 4.5	- 50,160
	Arpola – Open Pit	Proven Probable	28,500 12,200	3.7 5.2	3,390 2,040
	Jokisivu Gold Mine – Total		Proven Probable	28,500 358,900	3.7 4.6
		Total	387,400	4.5	55,590
Group Total		Proven Probable	205,390 1,687,810	3.6 3.8	23,770 207,260
		Total	1,893,200	3.8	231,030

Notations:

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 Australasian 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.