ASX ANNOUNCEMENT **06 DECEMBER 2010**

HIGH GRADE INTERCEPTS RECEIVED FROM DRILLING PROGRAM AT JOKISIVU GOLD MINE, FINLAND

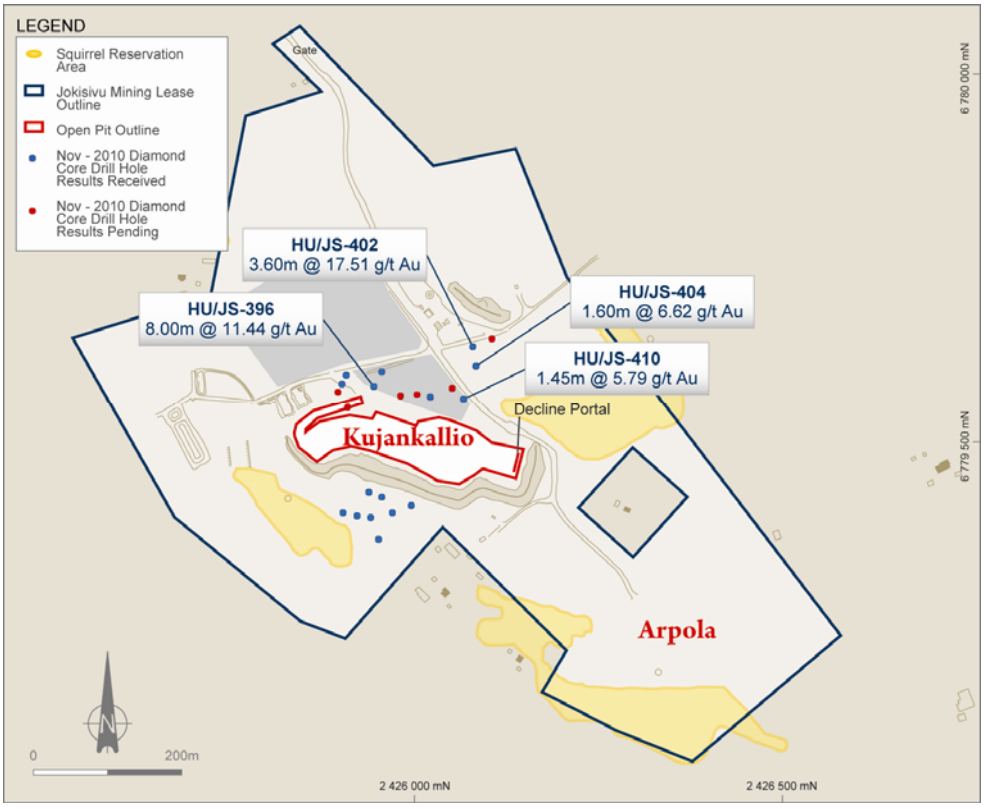
Dragon Mining is pleased to announce the receipt of the first results from a diamond core drilling program at the Jokisivu Gold Mine in southern Finland. Results yielded several promising intercepts including high grade highlights **8.00m @ 11.44 g/t gold** and **3.60m @ 17.51 g/t gold**.

The completed 22 hole, 4,045 metre program was designed to test the up-dip extension of the footwall zone of the Kujankallio deposit and to infill a portion of the existing Kujankallio resource in preparation for an update of the Mineral Resource, which subsequently would be reflected in the underground mine design.

Results from 16 holes are provided in Table 1, analytical work is expected to be completed on the final 6 holes in coming weeks.

One diamond core drill rig remains active at Jokisivu, on a 22 hole program designed to further test the area between the Kujankallio and Arpola deposits. Recent RC drilling of this area provided evidence that gold mineralized zones are located in close proximity to the planned decline development. This program is scheduled to be completed in January 2011, with the first results expected in February.

Drill Collar Location Plan, Displaying Highlight Intercepts



For and on behalf of
Dragon Mining Limited

Peter G Cordin
Executive Chairman

Table 1 – Results from Diamond Core Drilling at Kujankallio, Jokisivu Gold Mine.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
Footwall Extensions							
HU/JS-390	6779402.82	2425902.35	206.0	-48.0	53.65	0.50	1.23
					71.40	1.30	1.28
					90.40	1.20	1.97
HU/JS-392	6779398.44	2425922.19	206.0	-54.0	63.30	1.20	2.09
					71.00	1.70	1.91
HU/JS-393	6779431.09	2425938.15	206.0	-57.0	No significant intercepts		
HU/JS-397	6779396.21	2425939.69	206.0	-52.0	45.80	0.80	1.09
					72.40	0.95	2.68
HU/JS-398	6779425.49	2425954.00	206.0	-59.0	51.15	2.65	1.29
					73.70	0.40	2.95
HU/JS-400	6779365.75	2425950.70	206.0	-50.0	34.50	1.25	1.11
					60.00	1.70	1.95
					77.40	1.10	1.22
					92.00	0.50	12.00
HU/JS-401	6779405.16	2425969.92	206.0	-55.0	32.45	1.30	2.41
					64.15	0.65	3.53
					102.20	1.00	1.14
					114.65	1.05	1.33
					123.70	1.00	1.37
HU/JS-403	6779414.03	2425995.28	206.0	-53.0	75.80	1.20	1.24
					142.10	0.65	4.37
Infill							
HU/JS-391	6779580.31	2425901.56	206.0	-60.0	13.90	0.90	1.63
					17.60	1.00	1.76
					40.40	1.00	1.72
					60.20	1.80	2.37
					84.00	1.00	1.41
					118.45	0.95	2.65
HU/JS-394	6779592.67	2425907.58	206.0	-65.0	41.70	0.35	2.31
					50.60	2.25	2.25
					78.55	1.15	1.86
					80.70	0.55	1.75
					102.15	0.90	1.31
					131.80	0.65	2.25
HU/JS-396	6779577.52	2425945.91	206.0	-60.0	44.15	0.70	3.01
					79.80	1.00	3.34
					86.00	8.00	11.44
					149.00	0.75	3.99
HU/JS-399	6779596.66	2425955.25	206.0	-61.0	35.00	1.00	2.70
					64.65	1.00	1.83
					68.60	0.70	12.00
					70.10	1.00	6.40
					100.45	0.90	1.66
					104.00	3.95	2.79
					118.50	1.50	1.27
					132.00	1.02	1.55
					136.35	1.50	2.30
					154.35	1.00	1.21
HU/JS-402	6779631.39	2426080.25	206.0	-52.0	88.20	0.55	1.03
					104.00	0.70	1.02
					117.30	1.00	1.72
					128.10	0.70	1.36
					140.30	1.90	1.55
					169.05	0.75	2.97
					180.30	0.90	13.20
					201.45	3.60	17.51
			Includes 0.55 metres @ 95.80 g/t gold from 201.45 metres and 0.50 metres @ 16.55 g/t gold from 203.45 metres				
					207.80	0.90	1.24
					252.90	0.70	1.12
					261.15	1.00	1.52
HU/JS-404	6779605.05	2426085.38	206.0	-55.0	122.40	1.60	6.62
			Includes 0.60 metres @ 14.80 g/t gold from 122.40 metres				
					144.35	0.75	1.76
					217.95	0.95	1.29
					223.00	0.85	2.91
					233.60	1.00	1.74
					239.45	2.00	1.41
					247.65	0.80	1.26
					264.65	1.60	1.38
HU/JS-408	6779563.39	2426021.39	206.0	-51.0	42.90	1.20	1.34

					73.60	1.90	3.89
					152.15	0.85	1.20
					173.75	1.95	1.34
					187.45	0.95	10.35
					191.25	1.00	1.65
					202.75	0.65	1.08
HU/JS-410	6779560.09	2426066.39	206.0	-54.0	84.15	1.45	5.79
					117.80	2.00	2.73
					132.25	1.50	1.30
					137.75	0.50	9.93
					147.40	1.00	3.32
					155.40	1.50	1.80
					197.25	0.45	7.40
					220.60	2.75	1.36
					240.85	1.00	1.12

Analysis of RC drill cuttings 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.

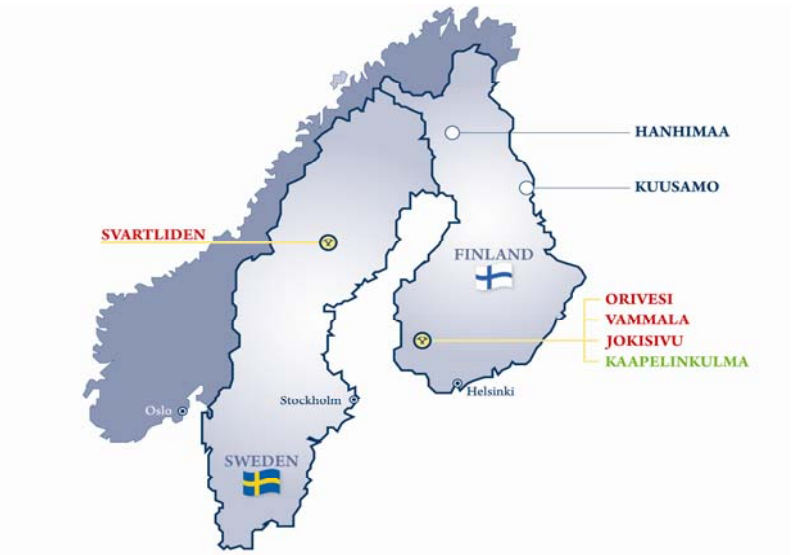
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Neale Edwards BSc (Hons), a Member of the Australian Institute of Geoscientists and Mr Urpo Kuronen MSc (Geology), a Member of the Australian Institute of Mining 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 report of the matters based on their information in the form and context in which it appears.

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 was completed in August 2010, yielding 10,176 ounces at an approximate cash cost of US$620/oz. Development of the decline that will provide underground access to the Kujankallio deposit has commenced. Exploration and further internal studies are underway to determine the viability of a development that would also encompass the Arpola deposit.



Location of Projects

Jokisivu Gold Mine – Kujankallio and Arpola Deposits