

HIGHLIGHTS

OPERATIONS

- Gold production for the Dragon Mining Group of 20,792 (YTD: 36,322) ounces at an average cash cost of US\$565 (YTD: US\$602) per ounce.
- Svartliden, Sweden gold production of 10,093 (YTD: 19,461) ounces at an average cash cost of US\$583 (YTD: US\$608) per ounce.
- Vammala, Finland gold production of 10,699 (YTD: 16,861) ounces at an average cash cost of US\$547 (YTD: US\$642) per ounce (including refining costs of US\$115 per ounce). Ore was sourced from both the Orivesi and Jokisivu Gold Mines.
- With ore available from both Orivesi and Jokisivu, the Vammala Production Centre will continue to operate through the Finnish vacation period. This will assist in achieving the forecasted 2010 Group production target of 70,000 ounces.

DEVELOPMENT

- The feasibility study on the underground development at Svartliden continues to be progressed with mining contractors submitting bids in June. A decision to commence the underground development is expected in August.
- Significant results were received from diamond core drilling between the 540-600m levels at Savisuo, Finland including **7.15m @ 16.35 g/t gold, 4.30m @ 7.48 g/t gold, 4.00m @ 3.47 g/t gold and 3.55m @ 3.91 g/t gold**. Consideration to extend the decline at Sarvisuo from the 540m level to the 620m level has commenced, which would extend the operating mine life at Orivesi. A decision is expected in late July.
- An internal feasibility study has been completed to determine the viability of developing an underground operation at the Jokisivu Gold Mine, Finland. The study is being reviewed and a development that would encompass both the Kujankallio and Arpola deposits should commence in late 2010.

EXPLORATION

- Diamond core drilling continued at Svartliden focussed on the Eastern Zone Open Cut Extension. A number of significant intercepts have been obtained, including high grade intercepts of **10m @ 14.87 g/t gold (includes 5m @ 28.43 g/t gold)** and **2m @ 27.56 g/t gold**. Results highlight that mineralisation continues along strike and at depth and gives encouragement that the extensive drilling program should achieve the objective of substantially extending the mine life.
- Results were received from a 12 hole diamond core drilling program from the pit floor at Svartliden, which targeted a zone of mineralisation along the southern edge of the open pit. The results yielded a number of higher grade intercepts, including **8.0m @ 5.85 g/t gold, 4.0m @ 26.63 g/t gold and 8.0m @ 4.26 g/t gold**.
- The first results from the diamond core drilling program completed at the Kaapelinkulma Gold Project, Finland were received including some high individual gold grades and promising intercepts including **1.65m @ 34.07 g/t gold, 2.05m @ 4.32 g/t gold, 3.65m @ 2.23 g/t gold, 2.20m @ 3.17 g/t gold and 1.60m @ 6.06 g/t gold**.

CORPORATE

- As at 30 June 2010, Dragon Mining held \$16.0m in cash, \$2.2m in gold bullion, \$12.7m in net gold concentrate receivables, and \$3.8m of cash deposits lodged with Swedish authorities as rehabilitation bonds.
- Gross cash inflow from operations for the quarter was \$10.0m.
- A wholly owned subsidiary of Dragon Mining purchased on market 4,105,695 Dragon Mining Convertible Notes (DRAG) during the quarter. Subsequently, a further 1,468,180 Notes were purchased at an average price of \$1.05 per Note. Of the 23,645,289 Notes on issue, 18,105,810 Notes are now held by the subsidiary and the outstanding liability associated with the Notes is \$5.8m. The Company announced that it will redeem all outstanding Notes in October 2010.
- The average cash price received per ounce of gold sold (9,603 ounces) from Svartliden was US\$1,192 and the average sales price received per ounce of gold sold (11,869 ounces) from Vammala was US\$1,208.

INVESTMENTS

- Chalice Gold Mines Limited ("Chalice") exercised its option to purchase the Company's 20% interest in the Zara Gold Project, Eritrea which resulted in the Company receiving \$8.0 million in cash and 2 million Chalice shares (market value is \$0.8m) which are escrowed for 12 months. In addition, Chalice has the obligation to pay Dragon Mining a further \$4.0 million on the delineation of a 1 million ounce gold Reserve at the Zara Gold Project.
- Weld Range Metals ("WRM") continued to evaluate various capital raising opportunities to fund the scoping and feasibility studies for the Weld Range Stainless Steel Project. Somerley Limited were appointed to act as financial advisors to assist in raising the funding for the feasibility study and development of the project.



OPERATIONS

SWEDEN

Svartliden

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
Jun 2010 Quarter	102,186	86,204	4.0	92.1	99.0	10,093	583
Mar 2010 Quarter	74,223	84,192	3.7	92.9	98.0	9,368	620
YTD	176,409	170,396	3.8	92.6	98.5	19,461	608

The operation had no lost time injuries during the quarter.

Svartliden produced 10,093 ounces of gold from 86,204 tonnes of ore milled at a head grade of 4.0 g/t and a cash cost of US\$583 per ounce.

Ore mined was 102,186 tonnes at an average grade of 3.9 g/t. Mining was carried out in the eastern pit and eastern extension. Total ore mined was above forecast to compensate for the shortfall in the first quarter due to cold weather conditions.

The process plant utilisation was as forecast at 99%. The downtime was related to routine maintenance on the mill and other minor works.

The Svartliden Mine is located in the reindeer herding area of the Vapsten Sami Community (“Vapsten”). Vapsten have been seeking financial compensation since 2003 for infringement on their reindeer herding rights and in June, following repeated appeals through the lower Courts, the High Court of Appeal delivered its decision to award 985,500 Swedish Krona (“SEK”) plus interest and legal costs to the Vapsten. The total compensation is approximately 1.8 million SEK (A\$0.3m). Both parties have a right to lodge an appeal against the decision by 19 July 2010.

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
Jun 2010 Quarter	60,541	63,502	6.2	86.1	98.0	10,699	547
Mar 2010 Quarter	68,948	60,872	3.8	81.5	93.4	6,162	805
YTD	129,489	124,374	5.1	82.8	97.0	16,861	642

There was one lost time injury during the quarter. At Vammala a maintenance worker slipped and fell in the crushing section of the process plant.

Production at Vammala was 10,699 ounces of gold from 63,502 tonnes of ore milled at a head grade of 6.2 g/t and an average cash cost of US\$547 per ounce (including refining costs of US\$115 per ounce). 43,517 tonnes of ore at a head grade of 7.1 g/t gold was sourced from the Orivesi Gold Mine and 19,985 tonnes of ore at a head grade of 4.1 g/t gold was sourced from the Jokisivu Gold Mine.

With ore available from both Orivesi and Jokisivu, the Vammala Production Centre will continue to operate through the Finnish vacation period. This will assist in achieving the forecasted 2010 Group production target of 70,000 ounces.

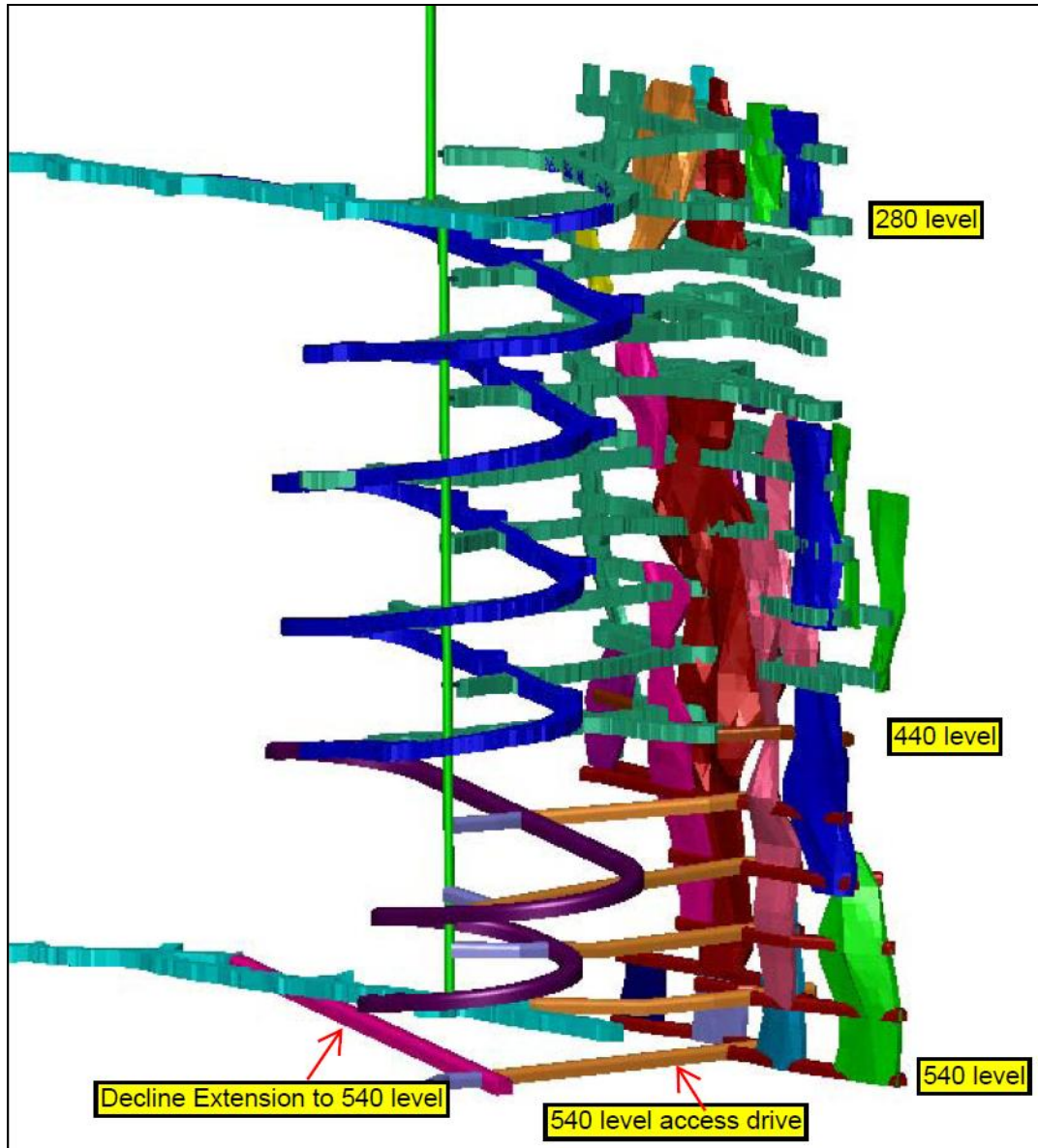


Orivesi Gold Mine

41,910 tonnes of ore was mined predominately from the Sarvisuo ore lodes. In May a high grade zone was mined between the 340-360m levels from ore lode three. This ore lode had an average grade of 8.6 g/t gold and highlights the grade variability at Sarvisuo.

Decline development continued between the 440-525m levels and was completed to the 540m level. 35 metres of decline development remain.

Sarvisuo Ore Lode System and Decline



Jokisivu Gold Mine

In the June quarter 18,631 tonnes of ore grading 4.1 g/t was mined from the Kujankallio open pit.



DEVELOPMENT

SWEDEN

Svartliden Gold Mine

The feasibility study on the underground development at Svartliden continues to be progressed with mining contractors submitting bids in June. A decision to commence the underground development is expected in August.

FINLAND

Orivesi Gold Mine

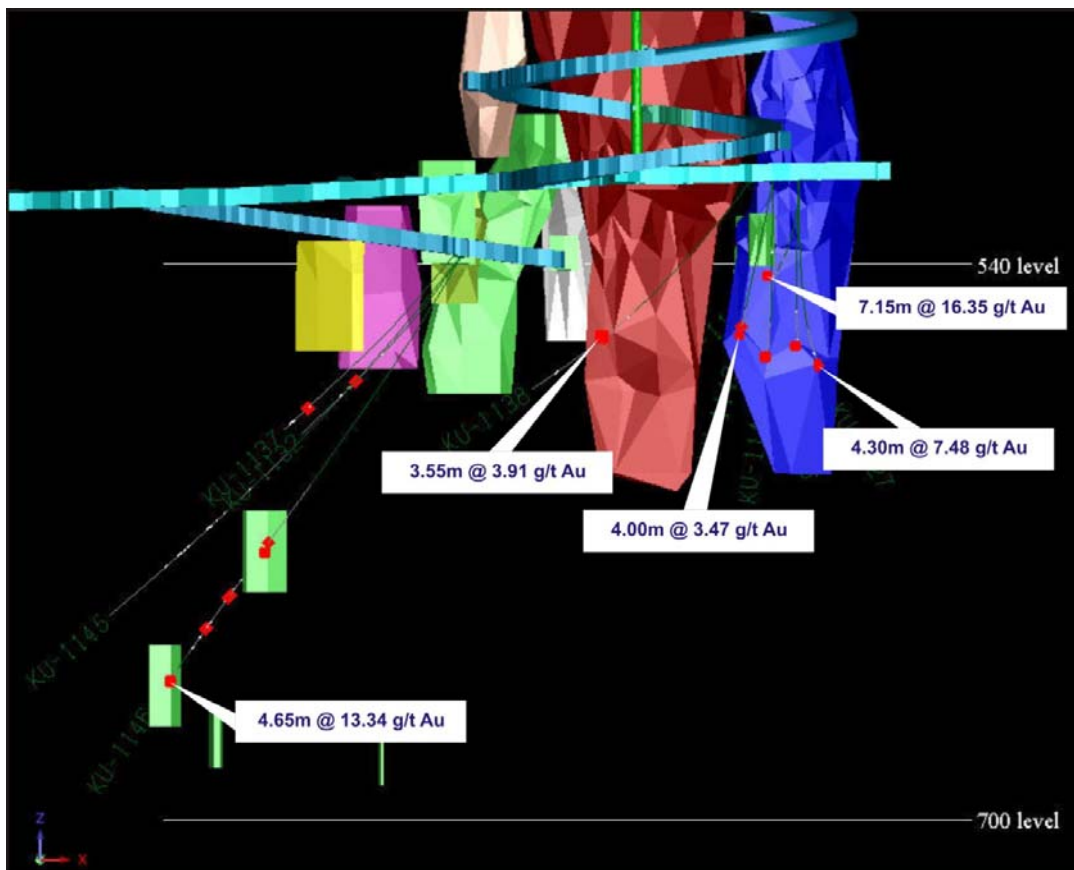
A total of 3,245.15 metres (22 holes) of diamond core drilling was completed at the Orivesi Gold Mine. This campaign of infill drilling was designed to test the zone between the 540m and 600m levels to confirm the extension of known mineralization at Sarvisuo.

The results obtained to date have highlighted the extension of the known pipes (**7.15m @ 16.35 g/t gold, 4.30m @ 7.48 g/t gold, 4.00m @ 3.47 g/t gold and 3.55m @ 3.91 g/t gold**) whilst also identifying new deeper mineralised positions to the west of the Sarvisuo pipe cluster (**4.65m @ 13.34 g/t gold**).

Results for 16 of the 24 hole campaign are presented Appendix 1. Assays for 6 holes remain pending, whilst 2 holes are yet to be drilled.

Given these results, consideration is being given to extend the decline from the 540m level to the 620m level with a decision expected in late July.

Significant intercepts from recent Sarvisuo extension drill campaign (540-600m levels)





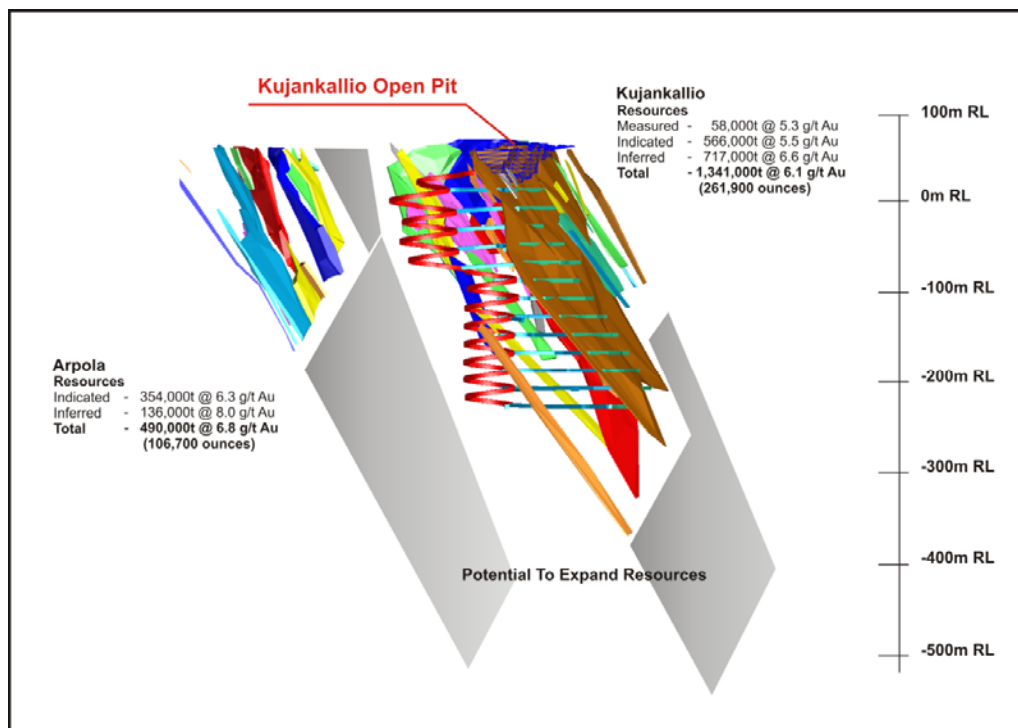
Assays were also received for five diamond core drill holes completed during the previous quarter targeting the northern side of the Kutema pipe cluster from the 550m level. Designed to test indications of gold mineralisation and prospective geology identified from historic drill holes, the gold intercepts received were narrow and of a low gold grade (Appendix 2). These results indicate the presence of a low grade zone around the pipes at Kutema, whilst the low grade intercepts located further from Kutema, in drill holes KU-1121 and KU-1122 will require follow-up drilling to test for the possible existence of new pipes in this area.

A program of Reverse Circulation (RC) drilling was conducted in June from the 420m level at Sarvisuo to test the potential for gold mineralisation north of the Sarvisuo ore lode system. A total of 916 metres were drilled in 15 holes. Results are pending.

Jokisivu Gold Mine

An internal feasibility study has been completed for development of an underground operation at the Jokisivu Gold Mine. The study is being reviewed and a development which would encompass both the Kujankallio and Arpola deposits should commence in late 2010.

Conceptual underground development at Kujankallio



Independent consultants Runge Limited are completing an audit of the Resource of the Arpola gold deposit. Results of this audit will be available in late July.



EXPLORATION

SWEDEN

Svartliden Gold Mine

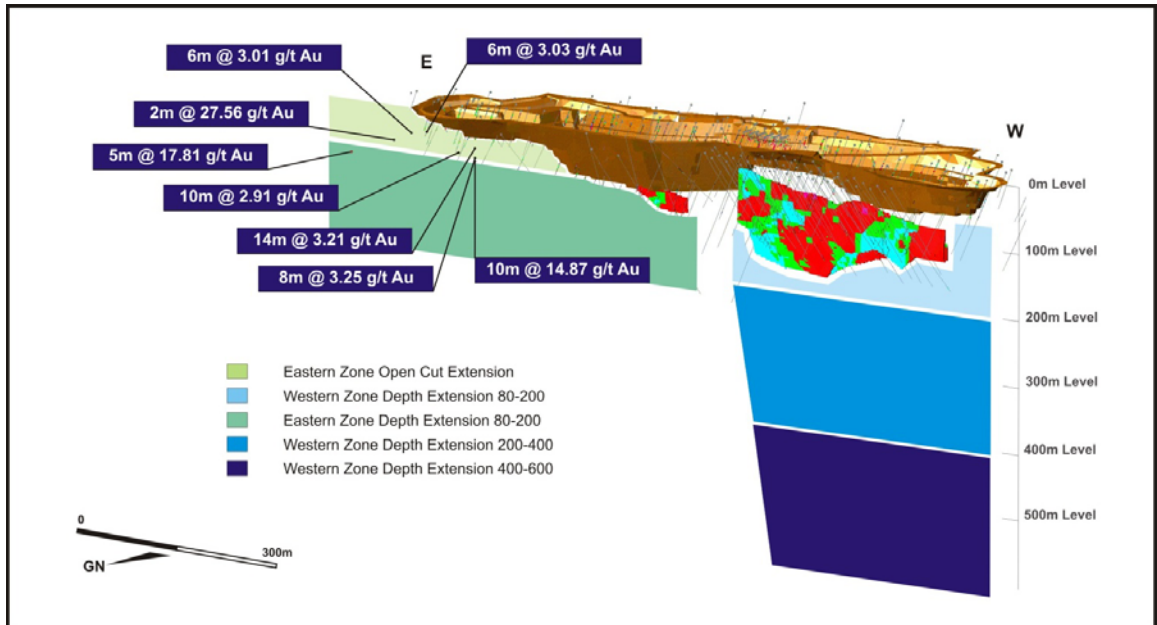
Diamond core drilling continued at Svartliden focussed on the Eastern Zone Open Cut Extension, where the final 24 of the 32 hole campaign were completed for an advance of 3,356.9 metres (Total – 4,524.6 metres). This campaign forms part of the aggressive strategy implemented at Svartliden, which will result in 22,000 metres of drilling being completed over twelve months.

A number of encouraging intercepts have been obtained, including high grade intercepts of **10m @ 14.87 g/t gold** that includes **5m @ 28.43 g/t gold** in drill hole SV10220 and **2m @ 27.56 g/t gold** in SV10229.

Other encouraging intercepts include **14m @ 3.21 g/t gold**, **8m @ 3.25 g/t gold**, **10m @ 2.91 g/t gold**, **6m @ 3.03 g/t gold** and **6m @ 3.01 g/t gold**. Results have been received for 20 of the 32 holes completed and are presented in Appendix 3. The results from the remaining 12 holes expected over the coming weeks.

The results obtained highlight that mineralisation continues along strike and at depth and gives encouragement the drilling campaign should achieve the objective of substantially extending the mine life.

Significant drilling intercepts in the Eastern Zone Open Cut Extension



Results were also received from a 12 hole diamond core drilling program undertaken from the pit floor, which targeted a higher grade zone of mineralisation along the southern edge of the open pit. The results have yielded a number of higher grade intercepts, including **8.0m @ 5.85 g/t gold**, **4.0m @ 26.63 g/t gold** and **8.0m @ 4.26 g/t gold**. Results are presented in Appendix 4.

With the arrival of a second diamond core drill rig at Svartliden, two rigs are drilling on the 25 hole, 4,645 metre Western Zone Depth Extension 80-200 campaign to further examine the western portion of the deposit below and adjacent to the existing underground Indicated (259,000t @ 7.2 g/t gold) and Inferred (53,000t @ 7.1 g/t gold) Resource.

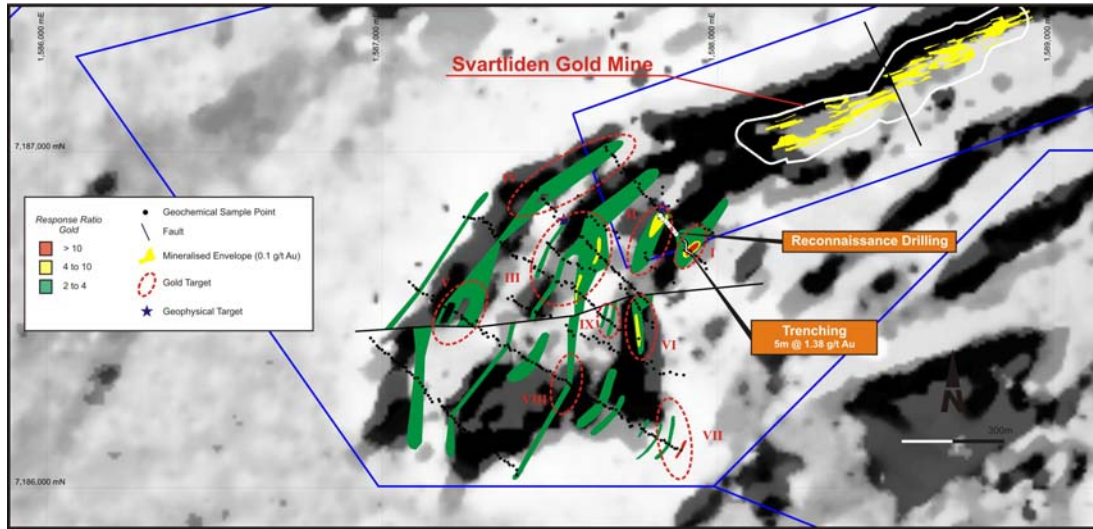
Svartliden Gold Mine – Regional

Preparation continued for the 2010 field programs, which will be undertaken across priority target areas identified from geophysical and geochemical surveys.

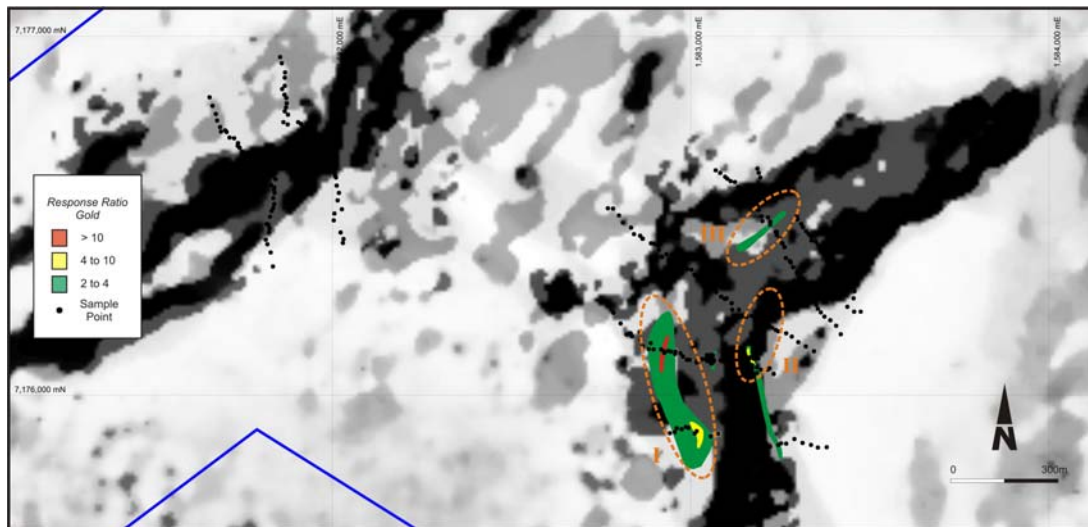
Immediately west of the Svartliden Gold Mine, seven target areas will be evaluated by either trenching or reconnaissance drilling. These targets have primarily been identified by geochemical methods, where anomalous gold and other elements occur. Similar programs will also be undertaken across three identified targets in the Alstråsket area, 12 kilometres southwest of the Svartliden Gold Mine.



Svartliden West gold geochemistry, highlighting identified target zones



Alträsket gold geochemistry, highlighting identified target zones



FINLAND

Kaapelinkulma Gold Project

The first results from the diamond core drilling program completed at the Kaapelinkulma Gold Project (located 60km east-southeast of the Vammala Production Centre) were received.

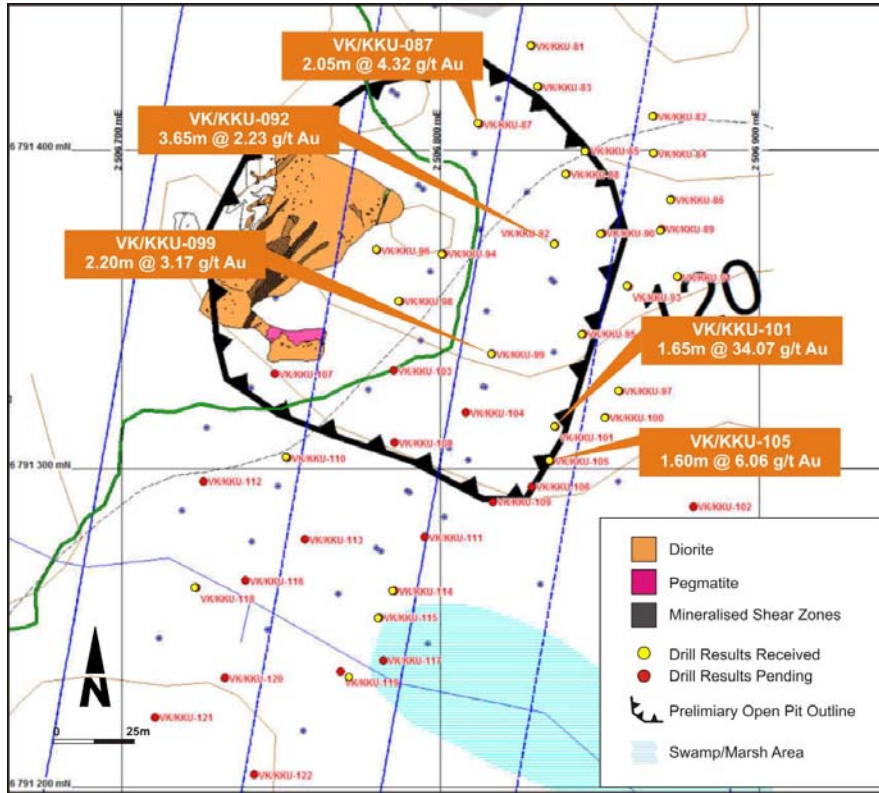
A total of 44 diamond core drill holes (4,448.70 metres) were completed during this campaign, designed to infill the resources at Kaapelinkulma in preparation for resource estimation and mining studies.

Results have now been received from 30 holes, returning some high individual gold grades and promising intercepts including **1.65m @ 34.07 g/t gold, 2.05m @ 4.32 g/t gold, 3.65m @ 2.23 g/t gold, 2.20m @ 3.17 g/t gold** and **1.60m @ 6.06 g/t gold**. All results received are presented in Appendix 5.

Upon receipt of assays for the remaining 14 holes, an update of the Kaapelinkulma resource estimate will begin in preparation for pit optimisation studies. In anticipation of the development of this project, applications for a Mining Lease and the Environmental Permits were lodged with the relevant authorities in March 2010.



Kaapelinkulma drill hole location plan.

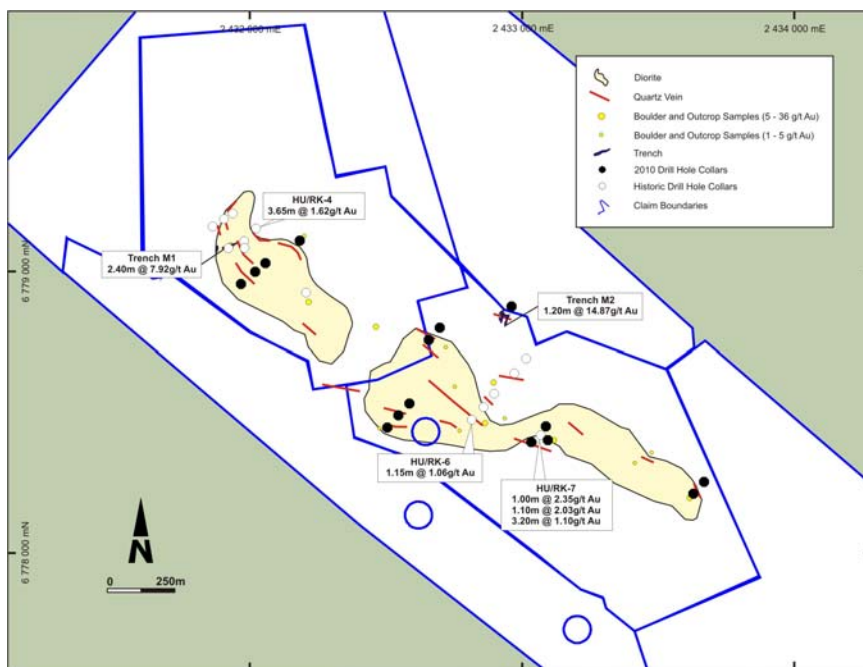


Ritakallio Gold Project

A 15 hole diamond core drilling program was completed at the Ritakallio Gold Project (located approximately 5km east of the Jokisivu Gold Mine) for a total advance of 1,501.60 metres. The program was designed to test seven areas, where previous exploration had identified a number of veins and shears with moderate to high gold contents and or pathfinder elements in bedrock.

Drill core logging is now in progress, assay results expected during the next quarter.

Ritakallio drill hole location plan





INVESTMENTS

ERITREA

Zara Joint Venture (20% Interest)

In June, Chalice Gold Mines Limited (“Chalice”) exercised its option to purchase the Company’s 20% interest in the Zara Gold Project, Eritrea which resulted in the Company receiving \$8.0 million in cash and 2 million Chalice shares (market value \$0.8m) which are escrowed for 12 months.

In addition, Chalice has the obligation to pay Dragon Mining a further \$4.0 million 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.

AUSTRALIA

Weld Range Metals Limited (Dragon 40%)

Weld Range Metals (“WRM”) has continued to evaluate various capital raising opportunities to fund the scoping and feasibility studies for the Weld Range Stainless Steel Project. Somerley Limited (“Somerley”) was appointed to act as financial advisors to assist in raising the funding for the feasibility study funding and development of the project. Somerley is a corporate finance advisory firm based in Hong Kong with offices in Beijing, Shanghai, Sydney and Perth and specialise in transactions with companies in China.

WRM also commissioned independent consultants ProMet Engineers to review and update the financial model and preliminary technical and economic evaluation of the Weld Range Stainless Steel project taking into account changes in market conditions and outlook, in particular metal prices and capital and operating costs. The results of the review are expected by the end of July.

Programs of work for drilling and sampling for resource estimation and test work to define and up-grade mineral resources for chrome, nickel and iron were completed for approval and implementation.

The Weld Range Project was presented at the 5th Asian Stainless Steel Conference in Tianjin north of Beijing in June.

FINLAND

Kuhmo Nickel Joint Venture (5% Free Carried Interest)

ASX listed Universal Resources Limited (ASX Code: URL) advised Dragon that no activities were undertaken on the Kuhmo Nickel Joint Venture during the quarter.



CORPORATE

Cash Balances and Movements

As at 30 June 2010, Dragon Mining held \$16.0m in cash, \$2.2m in bullion, \$12.7m in net gold concentrate receivables, and \$3.8m of cash deposits lodged with Swedish authorities as rehabilitation bonds.

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

	Q2	YTD
	\$(m)	\$(m)
Operating Cash flows		
Gross cash inflows from operations	10.8	17.9
Cash outflows for rehabilitation bonds, overhead and operational support costs	(0.8)	(1.7)
Net operating cash flows	10.0	16.2
Investing Cash flows		
Exploration expenditure	(1.5)	(3.1)
Development expenditure	(0.5)	(0.8)
Proceeds from sale of Zara Gold Project	7.7	8.0
Capital purchases	(0.8)	(1.6)
Buyback of convertible notes	(4.2)	(4.8)
Net investing cash flows	0.7	(2.3)
Financing Cash flows		
Repayment of gold factoring of sales	(0.6)	-
Net interest paid	(0.3)	(0.6)
Repayment of Nordea Loan	(1.5)	(1.5)
Foreign exchange losses on cash balances held in foreign currency	-	(0.1)
Net financing cash flows	(2.4)	(2.2)
INCREASE IN CASH	8.3	11.7

Gold Sales

9,603 ounces of gold production from Svartliden was sold at an average cash price of US\$1,192 per ounce. 2,000 ounces was sold into the gold forward book at an average gold price of US\$1,232.

10,795 ounces of gold concentrate from the Vammala Production Centre and 1,074 ounces of gravity gold was sold at an average price of US\$1,208 (gross of refining costs).

Convertible Notes

During the quarter, a wholly owned subsidiary purchased on market 4,105,695 Dragon Mining Convertible Notes ("Notes") at an average price of \$1.04 per Note for a total of \$4.2m, including costs. Subsequently a further 1,468,180 Notes were purchased at an average price of \$1.05 per Note.

Of the 23,645,289 Notes on issue, 18,105,810 Notes are now held by the subsidiary and the outstanding liability associated with the Notes is \$5.8m.

The Company has announced that it will redeem all outstanding Notes in October 2010.

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.

Debt

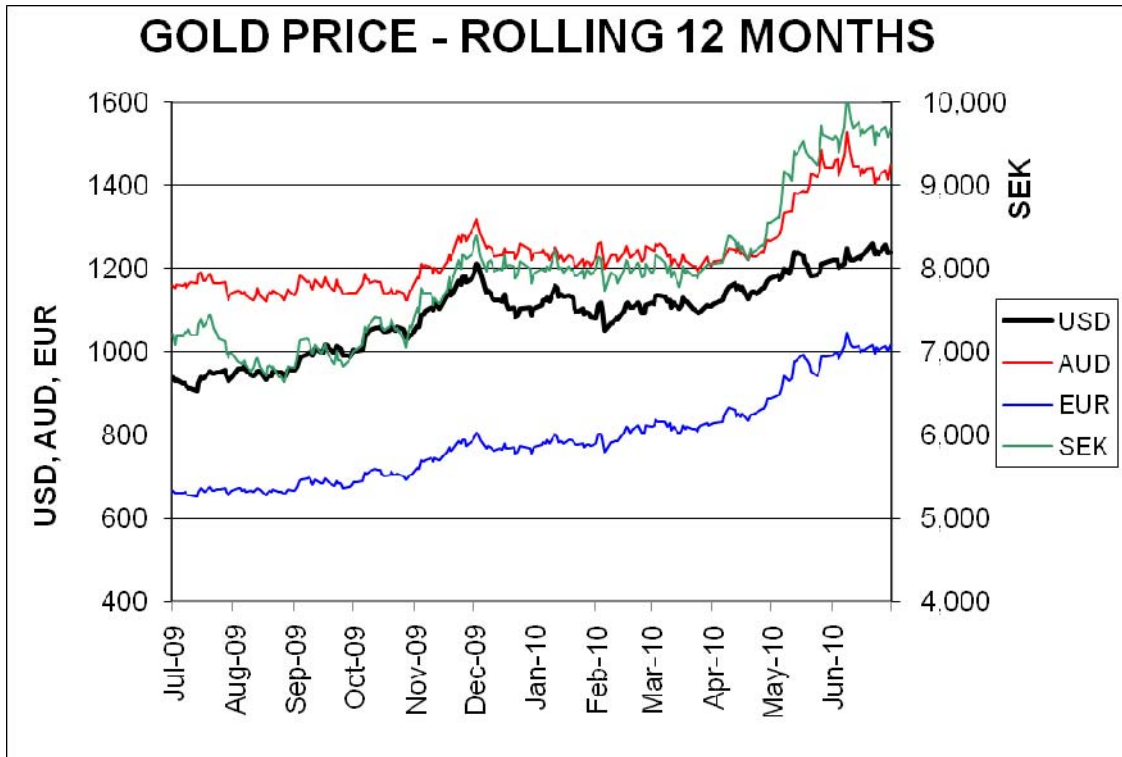
One million euro was repaid to Nordea Bank Finland Plc in June with a remaining one million euro to be repaid on 31 December 2010. The loan facility was established to fund the open pit development of the Jokisivu Gold Project and provide ongoing working capital for the Company's Finnish operations.



Hedging

The Company sells its gold in USD and meets its operating and exploration costs by converting those dollars to Swedish krona (SEK) and euro (EUR). With the SEK and EUR weakening against the USD, less proceeds from gold sales need to be converted to cover these costs.

As shown by the graph below the SEK and EUR gold price has strengthened considerably since the beginning of the year which has resulted in larger cash margins for the Company.



During the quarter the Company took advantage of the high gold price and the weak SEK and transacted a modest SEK gold hedging program of 10,000 ounces of gold sold forward at a gold price of 9,205 SEK an ounce.

Table 3 – Group hedging profile as at 30 June 2010

Gold hedging	Ounces	Price – USD	SEK	GOLD PRICE – SEK
30/07/2010	2,000	1,232	7.47	9,205
31/08/2010	2,000	1,232	7.47	9,205
30/09/2010	2,000	1,232	7.47	9,205
29/10/2010	2,000	1,232	7.47	9,205
Total	8,000	1,232	7.47	9,205



Appendix 1 – Results from Sarvisuo Extension Drilling, Orivesi Gold Mine

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
Sarvisuo - Holes drilled from-525TP							
KU-1125	6838466.85	2508910.92	359.5	-22.1	107.60	7.15	16.35
KU-1126	6838466.85	2508910.89	359.3	-27.4	120.25	5.00	2.71
					including 1.25 metres @ 6.96 g/t gold from 120.25 metres		
KU-1127	6838466.85	2508910.63	359.6	-34.2	121.70	4.30	7.48
					including 0.85 metres @ 28.70 g/t gold from 121.70 metres		
KU-1138	6838466.63	2508896.96	332.6	-34.6	118.75	3.55	3.91
					including 1.10 metres @ 5.19 g/t gold from 121.20 metres		
KU-1139	6838466.67	2508896.84	338.9	-30.3	No significant results		
KU-1140	6838466.60	2508896.16	345.7	-40.1	128.00	1.00	1.14
KU-1142	6838466.63	2508903.34	350.7	-18.9	No significant results		
KU-1141	6838466.64	2508897.09	334.4	-37.4	138.20	1.25	3.02
KU-1143	6838466.60	2508903.46	354.9	-26.5	112.50	1.50	2.73
					117.00	4.00	3.47
					including 1.00 metres @ 10.20 g/t gold from 118.75 metres		
KU-1144	6838466.66	2508903.47	0.3	-30.0	120.75	1.05	4.91
Sarvisuo - Holes drilled from-540VP							
KU-1129	6838492.33	2508815.78	350.7	-25.4	90.90	0.55	5.70
					92.30	1.60	3.70
KU-1130	6838492.30	2508815.20	345.8	-36.9	106.00	1.00	1.25
					110.00	2.00	6.02
					including 1.00 metres @ 11.05 g/t gold from 110.00 metres		
KU-1132	6838492.28	2508813.93	338.2	-31.6	84.40	1.00	3.29
KU-1137	6838488.76	2508812.33	325.6	-34.9	88.40	0.40	1.71
KU-1142	6838466.63	2508903.34	350.7	-18.9	No significant results		
KU-1144	6838466.66	2508903.47	0.3	-30.0	120.75	1.05	4.91
KU-1145	6838489.69	2508814.02	311.0	-43.7	No significant results		
KU-1146	6838489.63	2508814.28	311.6	-51.2	117.90	2.10	3.52
					120.85	2.70	1.73
					140.80	1.35	1.72
					155.35	0.55	12.15
					177.20	4.65	13.34
					including 2.50 metres @ 24.01 g/t gold from 179.35 metres		

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. Reporting cut-off grade 1 g/t gold.

Appendix 2 - Intercepts from Kutema, Orivesi Gold Mine

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
Kutema - Holes drilled from -550LP							
KU-1121	6838485.23	2508570.84	336.4	-39.1	11.60	0.50	1.05
					89.00	0.50	1.51
KU-1122	6838486.18	2508571.02	355.7	-27.8	4.80	0.50	1.10
					76.50	1.00	1.54
KU-1123	6838485.87	2508570.61	18.5	-46.7	No significant results		



KU-1124	6838485.96	2508570.83	9.6	-44.9	2.00	1.00	3.56
					5.50	1.50	1.61
					16.00	0.75	1.71
KU-1147	6838486.59	2508570.44	338.0	-16.5	1.85	0.45	1.71

Analysis of whole 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. Reporting cut-off grade 1 g/t gold.

Appendix 3 – Results from Eastern Zone Open Cut Extension drilling campaign, Svartliden Gold Mine

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
Profile 2025							
SV10208	7187245.3	1588805.6	341	-55	No significant results		
SV10209	7187244.5	1588805.6	341	-45	No significant results		
Profile 2050							
SV10215	7187264.3	1588826.2	341	-60	No significant results		
SV10216	7187264.9	1588826.0	341	-50	123.0	1.0	2.88
					149.0	1.0	4.23
Profile 2100							
SV10213	7187291.8	1588840.1	359	-50	69.0	4.0	2.80
					92.0	7.0	2.40
					103.0	5.0	2.46
SV10214	7187290.8	1588840.2	359	-60	117.0	9.0	2.04
SV10274	7187281.9	1588873.2	341	-55	114.0	5.0	2.83
					127.0	1.0	3.72
SV10275	7187281.4	1588873.3	341	-45	140.0	8.0	2.63
Profile 2125							
SV10219	7187305.7	1588891.1	341	-55	72.0	6.0	2.88
					93.0	14.0	3.21
					including 2 metres @ 8.59 g/t gold from 101 metres		
SV10220	7187304.8	1588891.4	341	-45	114.0	8.0	3.25
					126.0	10.0	14.87
					including 5 metres @ 28.43 g/t gold from 131 metres		
Profile 2150							
SV10221	7187312.2	1588915.4	341	-55	108.0	10.0	2.91
					128.0	1.0	2.45
Profile 2175							
SV10222	7187348.0	1588929.5	339	-61	81.0	6.0	3.03
					91.0	4.0	2.48
					104.0	1.0	2.76
SV10223	7187318.0	1589045.5	341	-50	146.0	4.0	3.02
					155.0	2.0	5.10
					164.0	0.8	5.00
Profile 2200							
SV10224	7187317.5	1588966.2	341	-50	108.0	1.0	2.43
					112.0	6.0	3.01
Profile 2225							
SV10228	7187339.6	1588985.1	341	-50	104.0	3.0	4.52
SV10229	7187310.3	1588995.2	341	-50	134.0	1.0	6.03
					140.0	1.0	2.90



					145.0	2.0	27.56
					including 1 metres @ 51.20 g/t gold from 146 metres		
Profile 2250							
SV10231	7187353.4	1589006.9	341	-50	97.0	1.0	9.81
					111.0	2.0	2.30
SV10232	7187321.3	1589017.9	341	-50	No significant results		
Profile 2275							
SV10233	7187318.0	1589045.5	341	-50	146.0	1.0	3.00
Profile 2300							
SV10235	7187368.7	1589054.5	341	-50	121.0	1.0	8.04

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. Reporting cut-off grade 1.8 g/t gold.

Appendix 4 – Results from in-pit drilling at the Svartliden Gold Mine

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
Profile 1850							
SV10199	7187249.9	1588620.1	161.0	-50	0.0	2.0	2.21
					10.0	1.0	3.83
Profile 1875							
SV10200	7187259.8	1588642.3	161.0	-50	0.0	4.0	26.63
					including 2.0 metres @ 44.8 g/t gold from 0.0 metres		
					17.0	2.0	5.99
SV10201	7187250.3	1588646.1	161.0	-50	1.0	1.0	2.52
Profile 1900							
SV10202	7187258.2	1588670.0	161.0	-50	0.0	8.0	5.85
SV10203	7187268.4	1588666.7	161.0	-50	19.0	1.0	3.72
					27.0	2.0	7.04
Profile 1925							
SV10204	7187271.2	1588691.5	161	-50	No significant results		
SV10205	7187284.7	1588686.7	161	-50	22.0	8.0	4.26
Profile 1950							
SV10206	7187288.0	1588709.0	161	-50	No significant results		
SV10207	7187273.4	1588711.6	161	-50	10.0	3.0	4.84
Profile 1975							
SV10211	7187300.9	1588734.1	161	-50	2.0	2.0	1.92
					12.0	6.0	3.60
SV10212	7187291.7	1588737.6	161	-50	20.0	1.0	2.79
Profile 2000							
SV10210	7187308.1	1588754.2	161	-50	No significant results		

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. Reporting cut-off grade 1.8 g/t gold.

Appendix 5 - Intercepts from Kaapelinkulma

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
VK/KKU-81	6791432.88	2506828.52	300.0	-50.0	No significant results		
VK/KKU-82	6791410.63	2506866.94	300.0	-50.0	8.85	0.70	4.25
VK/KKU-83	6791419.85	2506830.89	300.0	-50.0	42.30	0.40	2.03
					56.40	1.00	2.81



VK/KKU-84	6791399.00	2506866.93	300.0	-50.0	10.20	0.90	1.19
					96.05	0.95	1.03
VK/KKU-85	6791399.90	2506845.87	300.0	-62.0	No significant results		
VK/KKU-86	6791384.60	2506872.35	300.0	-61.0	No significant results		
VK/KKU-87	6791408.22	2506812.29	300.0	-64.5	27.80	0.60	16.80
					31.15	2.05	4.32
VK/KKU-88	6791392.49	2506839.48	300.0	-65.5	No significant results		
VK/KKU-89	6791375.22	2506869.34	300.0	-72.0	No significant results		
VK/KKU-90	6791373.99	2506850.66	300.0	-51.0	No significant results		
VK/KKU-91	6791360.18	2506874.57	300.0	-51.5	No significant results		
VK/KKU-92	6791370.67	2506835.74	300.0	-51.0	57.20	3.65	2.23
VK/KKU-93	6791357.24	2506858.98	300.0	-53.0	14.85	0.65	1.36
VK/KKU-94	6791367.56	2506801.10	300.0	-51.0	27.90	0.85	1.18
					36.85	1.00	4.05
					39.95	0.65	2.08
VK/KKU-95	6791342.41	2506844.69	300.0	-53.5	39.50	0.90	1.73
VK/KKU-96	6791368.63	2506780.02	300.0	-49.5	13.85	0.95	2.77
					23.90	1.10	1.49
VK/KKU-97	6791326.00	2506856.64	294.4	-50.1	82.90	0.60	2.68
VK/KKU-98	6791352.63	2506787.41	300.0	-49.0	24.40	1.00	1.46
					27.10	0.70	13.65
					30.70	0.80	1.88
VK/KKU-99	6791335.22	2506815.10	303.0	-53.6	41.65	0.55	5.23
					53.20	1.40	4.46
					56.70	1.45	6.29
					61.25	2.20	3.17
VK/KKU-100	6791316.33	2506853.20	300.2	-54.8	No significant results		
VK/KKU-101	6791313.34	2506836.39	299.2	-65.0	40.65	1.65	34.07
					including 1.00 metre @ 25.80 g/t gold from 40.65 metres and 0.65 metres @ 46.60 g/t gold from 41.65 metres		
VK/KKU-102	6791288.22	2506879.37	300.0	-61.0	133.00	0.85	2.08
VK/KKU-104	6791317.61	2506807.88	300.0	-58.0	51.40	0.60	3.79
					65.35	1.30	1.07
					70.00	2.90	1.17
VK/KKU-105	6791303.17	2506835.58	299.0	-60.1	35.55	1.15	8.52
					41.20	1.60	6.06
					78.10	1.75	1.20
VK/KKU-110	6791303.46	2506752.12	300.0	-49.0	29.65	0.60	1.27
VK/KKU-114	6791261.64	2506785.52	300.0	-50.0	No significant results		
VK/KKU-115	6791253.38	2506780.95	300.0	-48.5	44.10	0.45	2.18
VK/KKU-116	6791264.91	2506738.72	300.0	-53.0	No significant results		
VK/KKU-118	6791262.64	2506723.27	300.0	-48.0	22.25	0.60	2.86
					24.50	0.90	7.95
VK/KKU-123	6791185.60	2506773.38	300.0	-46.0	44.60	0.70	1.03

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. Reporting cut-off grade 1 g/t gold.

**NOTES WITH REGARD TO EXPLORATION RESULTS, MINERAL RESOURCES OR ORE RESERVES**

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.

Other

All statements in this report, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Dragon Mining Limited, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.