

ASX ANNOUNCEMENT

22 SEPTEMBER 2010

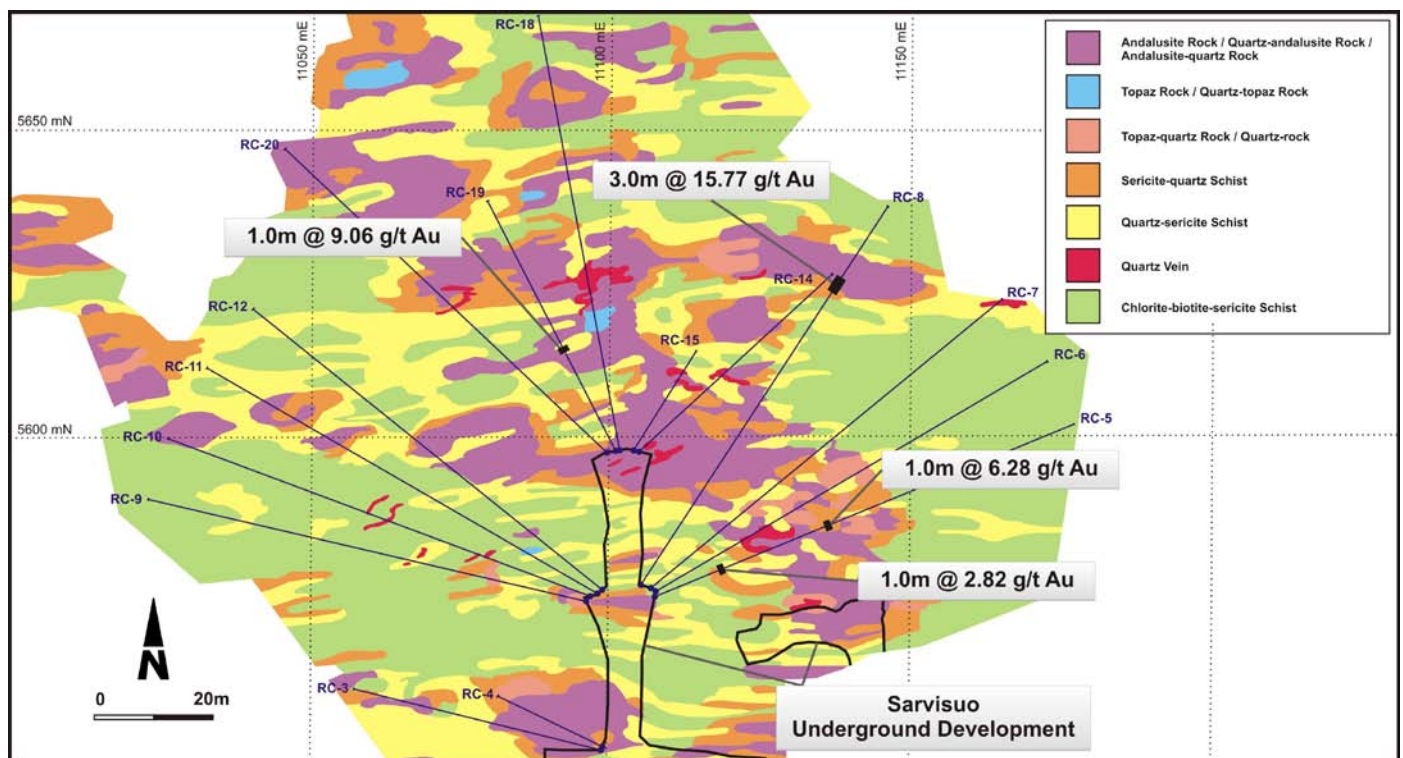
## RESULTS RECEIVED FROM TRIAL REVERSE CIRCULATION DRILL PROGRAM AT ORIVESI GOLD MINE

Dragon Mining Limited (Dragon) announces the receipt of results from a trial underground Reverse Circulation (RC) drilling program, which targeted an area to the immediate north of the Sarvisuo lode system at the Orivesi Gold Mine in southern Finland.

The RC program intersected a number of zones of characteristic Orivesi host rock, returning a best result of **3.00 metres @ 15.77 g/t gold** in drill hole RC-8. The 15 hole, 916 metre program was designed to test strongly altered rocks, which had returned scattered gold values from previously completed wide spaced diamond core drilling. Results from all holes are provided in Table 1.

The high grade zone of mineralization obtained in drill hole RC-8 is located 70 metres north of the underground development at Sarvisuo and 20 metres northeast of the 420 exploration drive. This area will now be subject to further drifting and drill testing to define the boundaries of the mineralized zone, in preparation for mining.

### Sarvisuo Geology 420m Level Displaying RC Drilling Program



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 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.*

**Table 1 – Results from Sarvisuo Reverse Circulation Drilling, Orivesi Gold Mine.**

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
RC-3	6838562.88	2508806.15	283.8	-2.5	No significant results		
RC-4	6838563.49	2508806.47	295.2	-2.7	No significant results		
RC-5	6838587.69	2508815.92	68.0	-4.5	11.00	1.00	2.82
					30.00	1.00	6.28
RC-6	6838588.64	2508816.01	60.1	-4.2	No significant results		
RC-7	6838589.07	2508815.03	51.1	-3.7	No significant results		
RC-8	6838589.57	2508813.31	33.8	-8.3	58.00	3.00	15.77
RC-9	6838587.04	2508804.54	283.0	-4.7	No significant results		
RC-10	6838587.84	2508804.98	290.3	-5.1	No significant results		
RC-11	6838588.18	2508806.33	299.7	-4.1	No significant results		
RC-12	6838588.68	2508807.20	308.4	-8.2	No significant results		
RC-14	6838611.54	2508814.01	47.7	-7.5	No significant results		
RC-15	6838611.95	2508812.83	32.7	-6.0	15.00	1.00	1.24
RC-18	6838611.91	2508810.27	349.2	-5.6	No significant results		
RC-19	6838611.61	2508809.30	332.8	-5.1	19.00	1.00	9.06
RC-20	6838611.43	2508808.08	313.0	-4.5	No significant results		

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.

## Background – Orivesi Gold Mine

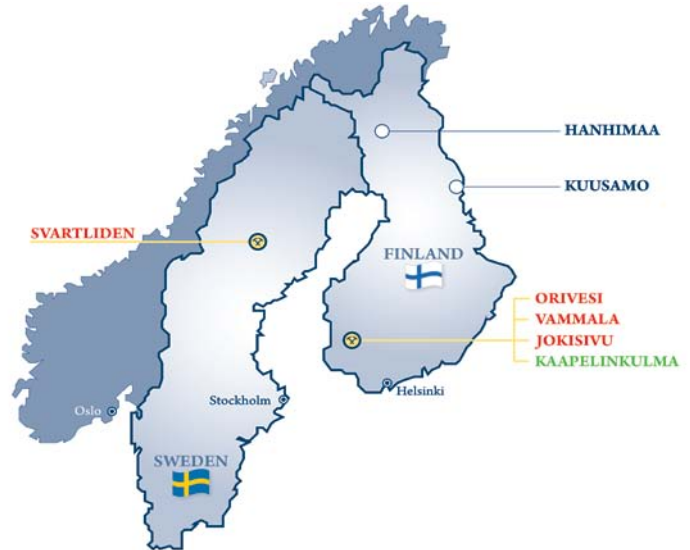
The Orivesi Gold Mine is located 80 kilometres northeast of the Vammala Production Centre and hosts a Measured, Indicated and Inferred Resource totalling 229,600 ounces at a grade of 5.9 g/t gold.

It was initially in operation between 1994 and 2003 and produced 422,000 ounces of gold from a series of near vertical pipe-like lodes at Kutema, the ore processed at the Vammala Production Centre.

Two of the five principal lodes at Kutema are known to continue beyond the current extent of the decline at the 720 m level, into the unmined Kutema Deeps area.

Mining from the Sarvisuo lodes, 300 metres east of Kutema commenced in April 2008 and has been conducted from the 285m level to the 540m level with the decline now being extended to the 620m level. Since commencement of mining 506,032 tonnes of ore have been mined.

Both Kutema and Sarvisuo remain open with depth, whilst areas proximal to both lode systems remain under explored.



Location of Projects

### Orivesi Gold Mine - Mineral Resource Inventory

	Tonnes	Gold (g/t)	Ounces
<b>Sarvisuo</b>			
Measured	148,000	8.0	38,100
Indicated	90,000	5.9	17,000
Inferred	55,000	7.8	13,600
<b>Total</b>	<b>292,000</b>	<b>7.3</b>	<b>68,700</b>
<b>Kutema</b>			
Measured	-	-	-
Indicated	92,200	3.4	10,000
Inferred	-	-	-
<b>Total</b>	<b>92,200</b>	<b>3.4</b>	<b>10,000</b>
<b>Kutema Deeps</b>			
Measured	-	-	-
Indicated	310,400	5.1	50,800
Inferred	515,000	6.0	100,100
<b>Total</b>	<b>825,400</b>	<b>5.7</b>	<b>150,900</b>
<b>Orivesi Total</b>			
Measured	148,000	8.0	38,100
Indicated	492,600	4.9	77,800
Inferred	570,000	6.2	113,700
<b>Total</b>	<b>1,210,600</b>	<b>5.9</b>	<b>229,600</b>