

**FURTHER HIGH GRADE INTERCEPTS FROM EXTENSIONS AT SVARTLIDEN GOLD MINE**

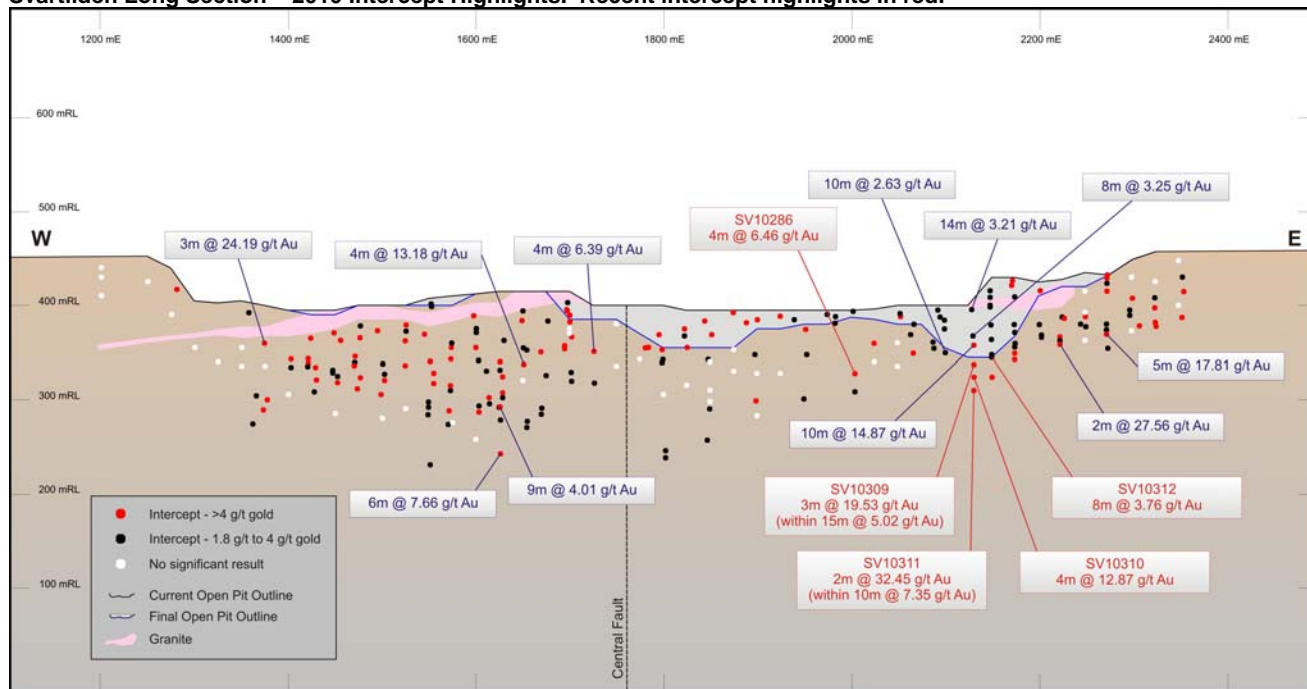
Dragon Mining is pleased to announce the receipt of further drill results from the Svartliden Gold Mine in Sweden, which included intercept highlights of **4m @ 12.87 g/t gold**, **2m @ 32.45 g/t gold** and **3m @ 19.53 g/t gold**. Each of these high grade intercepts are located down dip of the 10m @ 14.87 g/t gold intercept on Profile 2125, the latter two occurring within broader zones of mineralization of 10m @ 7.35 g/t gold and 15m @ 5.02 g/t gold, respectively.

The results are part of the drilling campaign that tested the eastern zone of the deposit between 80 and 200 metres below the surface. Assay results in Table 1 are from 26 holes of the 36 hole campaign with results from the remaining 10 holes pending.

Drilling of the eastern campaign is now complete and both diamond core rigs have commenced the 17 hole, 5,800 metre program at the western end of the deposit, targeting a panel between 200 and 400 metres below surface. The first results from this campaign are expected in early 2011.

Executive Chairman Peter Cordin stated, "The receipt of these high grade results caps off a very good year at Svartliden, with exploration providing a steady stream of encouraging intercepts since drilling commenced in March. Dragon will continue to target the depth extensions during 2011, as we seek to further increase the mine life of the Svartliden Gold Mine."

**Svartliden Long Section – 2010 Intercept Highlights. Recent intercept highlights in red.**



For and on behalf of  
**Dragon Mining Limited**

**Peter G Cordin**  
Executive Chairman

**Table 1 – Results from Eastern Zone Depth Extension 80-200 campaign. Recent results highlighted in red.**

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
<b>Profile 1800</b>							
SV10269	7187119	1588612	341	-53	No significant results		
SV10270	7187119	1588612	341	-59	No significant results		
<b>Profile 1825</b>							
SV10273	7187122	1588637	341	-50	No significant results		
SV10297	7187119	1588638	341	-55	No significant results		
<b>Profile 1850</b>							
SV10277	7187142	1588656	341	-49	No significant results		
SV10295	7187119	1588638	341	-55	199.0	1.0	2.94
SV10296	7187142	1588656	341	-55	No significant results		
<b>Profile 1875</b>							
SV10278	7187372	1588604	161	-50	No significant results		
SV10279	7187153	1588679	341	-47	No significant results		
SV10280	7187129	1588687	341	-59	No significant results		
<b>Profile 1900</b>							
SV10283	7187135	1588712	341	-50	203.0	1.0	4.53
SV10300	7187375	1588629	161	-50	135.0	1.0	2.03
<b>Profile 1925</b>							
SV01305	7187162	1588729	341	-50	No significant results		
<b>Profile 1950</b>							
SV10285	7187198	1588743	341	-50	122.0	1.0	2.03
<b>Profile 1975</b>							
SV10306	7187312	1588730	161	-55	No significant results		
<b>Profile 2000</b>							
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
<b>Profile 2025</b>							
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 results		
<b>Profile 2075</b>							
SV10293	7187277	1588848	341	-45	118.0	5.0	3.79
<b>Profile 2100</b>							
SV10308	7187241	1588887	341	-55	No significant results		
<b>Profile 2125</b>							
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
<b>Profile 2150</b>							
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

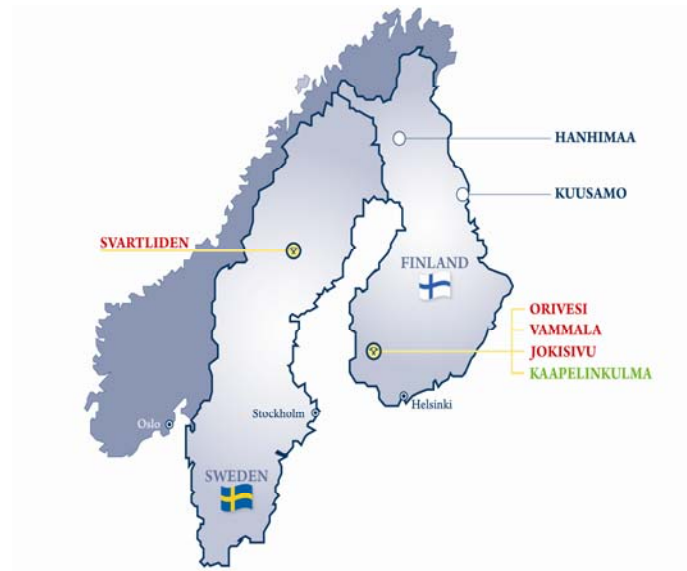
Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using method Au-AA25, following sample preparation at the ALS Chemex facility in Piteå, Sweden. Reported at a cut-off grade of 1.8g/t gold.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Neale Edwards BSc (Hons), a Member of the Australian Institute of Geoscientists, who is a full time employee of the company and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Neale Edwards consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Background

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

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



Location of Projects