

ASX ANNOUNCEMENT

14 JUNE 2011

BONANZA DRILL RESULTS RECEIVED FROM ORIVESI GOLD MINE, FINLAND

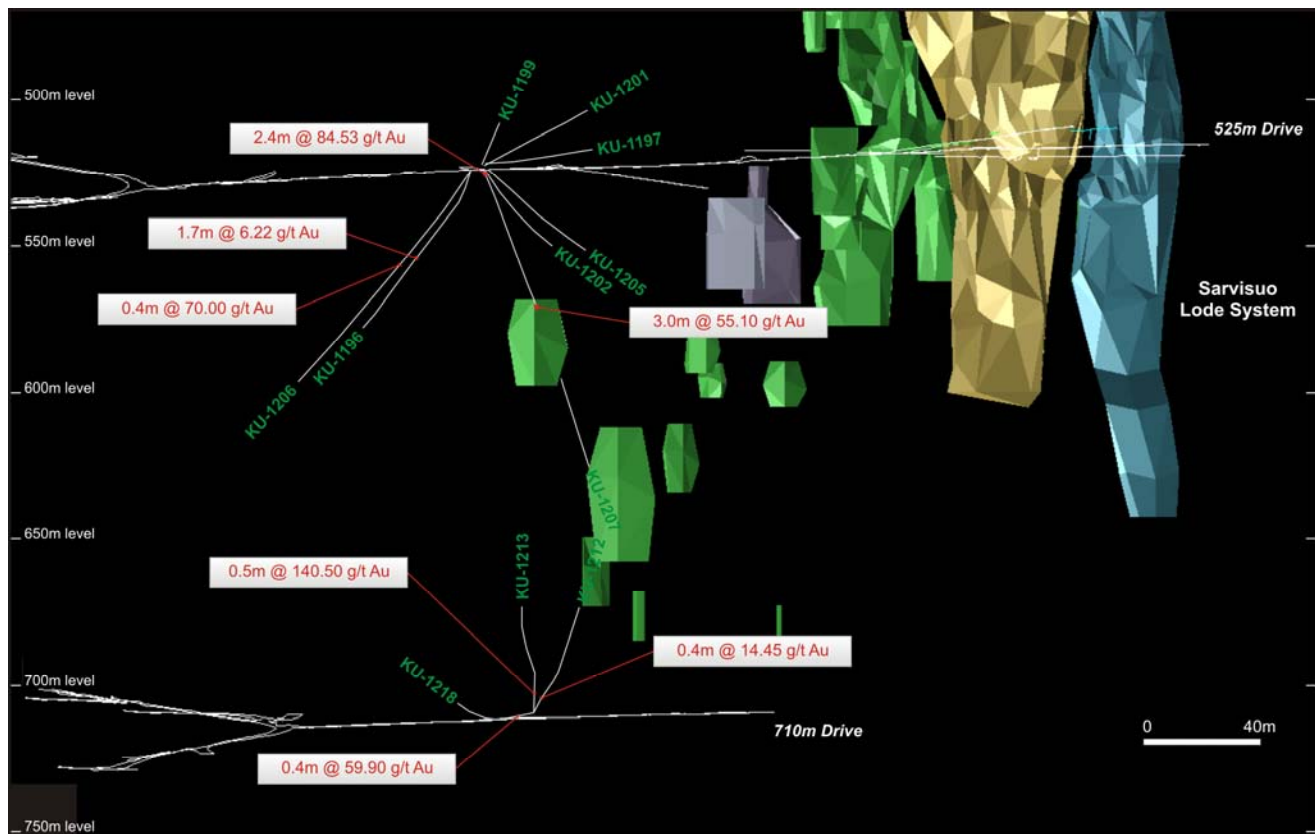
Dragon Mining is pleased to announce the receipt of a number of bonanza drill intercepts from the Sarvisuo West area at the Orivesi Gold Mine in southern Finland, including **2.40m @ 84.53 g/t gold** and **3.00m @ 55.10 g/t gold**. The results are located between the Kutema and Sarvisuo lode systems and in close proximity to existing underground development and provide additional encouragement that Sarvisuo West may represent a new pipe cluster.

Executive Chairman Peter Cordin stated, "The results highlight the potential of the areas immediately surrounding the Kutema and Sarvisuo lode systems to host additional gold bearing pipes and pipe clusters. Exploration success in these areas is integral to extending the life of the Orivesi Gold Mine well into the next decade."

In October 2010 an underground diamond core drilling program commenced, designed to test a zone between the 480m and 720m levels in the Sarvisuo West area and following on from the promising results obtained in this area from earlier drilling. The planned 45 hole, 8,100 metre program is on-going, and has been undertaken from drill stations located on the 525m and 710m drives. A total of 36 holes have been completed to date, analysis for gold received for 32 holes (Table 1).

Planning of further drilling of the Sarvisuo West area will now commence, both to better define the extent and geometry of the identified gold mineralisation and to test the up-dip and down-dip extensions of identified gold mineralisation.

Sarvisuo West Intercept Highlights



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 Fellow 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 diamond core drilling program of the Sarvisuo West area, Orivesi Gold Mine, Finland.

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
525m level Drill Holes							
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
KU-1193	6833195.30	2497619.52	322.8	-0.2	223.65	1.05	1.12
					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
KU-1196	6833195.30	2497619.52	352.6	-26.9	56.00	2.45	3.92
					113.00	1.70	6.22
KU-1197	6838480.06	2508689.08	13.7	1.8	0.00	1.50	16.23
KU-1198	6838482.82	2508686.02	3.6	-27.4	100.00	1.50	2.17
KU-1199	6838480.42	2508688.78	6.4	9.8	0.00	0.80	14.55
KU-1200	6838483.02	2508686.00	358.3	14.5	54.75	1.10	4.05
					73.10	0.90	1.26
KU-1201	6838479.89	2508689.47	20.8	9.3	1.10	0.70	23.00
					39.80	0.80	1.51
					94.50	1.50	1.11
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-1204	6838483.02	2508685.98	1.4	0.4	99.65	0.65	4.48
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
					179.40	0.70	1.16
KU-1206	6838482.19	2508685.53	338.4	-29.6	51.70	0.40	70.00
					58.40	0.60	3.38
KU-1207	6838479.77	2508689.46	24.6	-46.6	1.00	2.40	84.53
					70.50	3.00	55.10
710m level Drill Holes							
KU-1212	6838464.10	2508706.3	6.5	11.3	37.35	0.40	14.45
					88.35	0.90	2.46
					137.30	0.90	2.00
KU-1213	6838464.03	2508706.07	3.3	15.7	9.50	0.85	1.02
					32.35	0.50	140.50
					67.50	1.50	1.96
					81.55	1.35	1.57
KU-1215	6838463.73	2508704.92	355.6	10.5	33.00	2.00	2.09
					107.70	0.70	1.08
KU-1216	6838463.61	2508704.73	346.1	14.9	No significant intercepts		
KU-1217	6838463.59	2508704.96	358.3	27.9	33.80	1.20	1.33
					135.50	1.10	1.22
KU-1218	6838463.51	2508704.13	350.6	-2.9	40.00	0.40	59.90
					86.65	0.80	1.25
					112.50	1.40	1.21
KU-1220	6838463.58	2508704.44	343.6	6.0	91.50	1.50	1.48
					105.20	0.40	1.47
					152.80	0.75	1.60
KU-1222	6833195.30	2497619.52	338.4	3.0	No significant intercepts		
KU-1228	6838464.00	2508706.23	1.6	-3.2	82.65	2.80	1.79

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, using procedures Au-AA25/Au-AA26 (30g/50g FA with AAS finish) and Au-GRA22 (FA + gravimetric finish). Intercepts reported at a 1 g/t gold cut-off.

Background – Orivesi Gold Mine

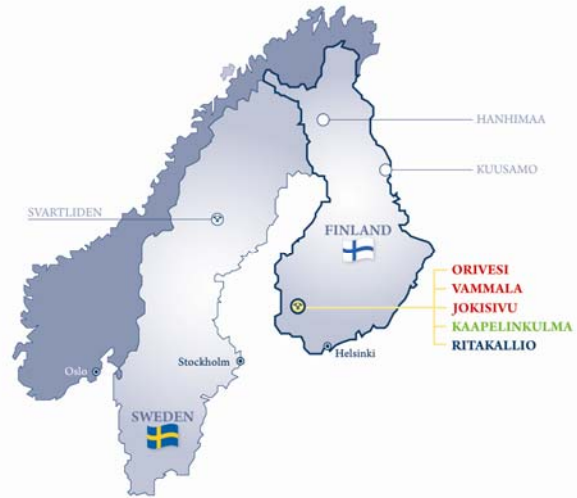
The Orivesi Gold Mine is located 80 kilometres northeast of the Vammala Production Centre and hosts a Measured, Indicated and Inferred Resource totalling 220,700 ounces grading 5.9 g/t gold.

The mine was initially in operation between 1992 and 2003 and produced 422,000 ounces of gold from a series of near vertical pipe-like lodes at Kutema, with the ore processed at the Vammala Production Centre, 80 kilometres to the southwest.

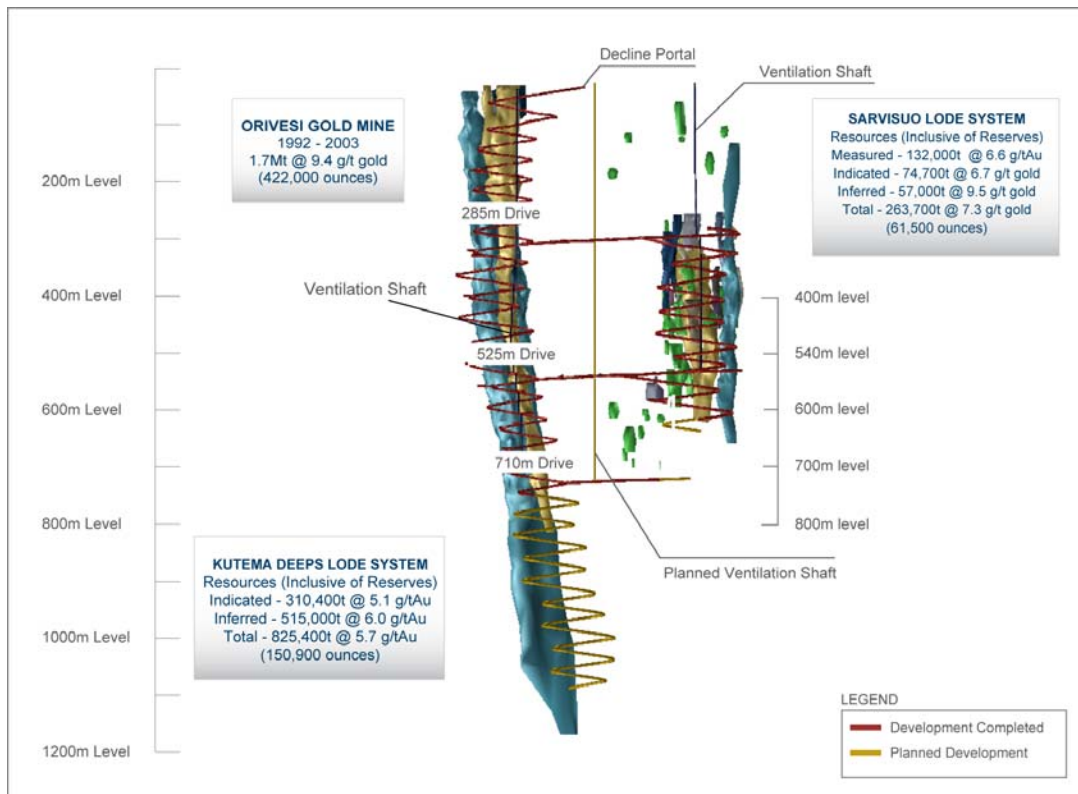
Two of the five principal lodes at Kutema continue beyond the historical extent of the decline at the 720m level into the Kutema Deeps area. This area is now subject to a program of staged development, the initial stage extending from the 720m to the 800m level.

Mining from the Sarvisuo lodes, 300 metres east of Kutema commenced in April 2008 and has been conducted from the 285m to the 540m level with the decline now being extended to the 620m level. Since recommencement of mining 635,041 tonnes of ore have been mined.

Both Kutema and Sarvisuo remain open with depth, with areas proximal to both lode systems exhibiting good potential for the identification of additional gold mineralisation.



Project Location



Orivesi Gold Mine

Orivesi Gold Mine - Mineral Resource Inventory

	Tonnes	Gold (g/t)	Ounces
Sarvisuo			
Measured	132,000	6.6	27,900
Indicated	74,700	6.7	16,200
Inferred	57,000	9.5	17,400
Total	263,700	7.3	61,500
Kutema			
Measured	-	-	-
Indicated	64,300	3.6	7,400
Inferred	9,200	3.1	900
Total	73,500	3.5	8,300
Kutema Deeps			
Measured	-	-	-
Indicated	310,400	5.1	50,800
Inferred	515,000	6.0	100,100
Total	825,400	5.7	150,900
Total - Orivesi Gold Mine			
Measured	132,000	6.6	27,900
Indicated	449,400	5.2	74,400
Inferred	581,200	6.3	118,400
Total	1,162,600	5.9	220,700