

ASX ANNOUNCEMENT

1 JULY 2011

SIGNIFICANT PRELIMINARY RESULTS FROM DRILL HOLE AT THE KUUSAMO GOLD PROJECT, NORTHERN FINLAND

Dragon Mining advises preliminary gold results from the top 133.50 metres of drill hole KS/JS-128, a shallow angled scissor hole that targeted the known gold bearing lodes in the northern portion of the Juomasuo deposit, has yielded significant intercepts of **8.95m @ 11.42 g/t gold** and **8.40m @ 10.06 g/t gold** (Table 1 and Figure 1).

In addition, two intervals (68.50 to 69.90m and 75.00 to 76.75m), located within the mineralised envelope have been shipped to the ALS Chemex Laboratory in Vancouver, Canada for specialised sample preparation and assaying. The results for these intervals and the results for the bottom section of KS/JS-128 remain pending.

The intercepts provide evidence of the continuation of the eastern most lode and/or the presence of new lode(s) in this area, which has previously been subjected to only limited shallow drilling (Figure 2).

The trading halt that was implemented on Thursday 30 June 2011 is expected to be lifted today.

For and on behalf of
Dragon Mining Limited

Peter G Cordin
Executive Chairman

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 Fellow of the Australian Institute of Geoscientists and Mr Urpo Kuronen MSc (Geology), a Member of the Australasian 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.

Table 1 – Preliminary gold only results from top section of drill hole KS/JS-128, Juomasuo deposit.

Hole ID	Northing	Easting	Dip (°)	Azimuth (°)	Depth (m)	From (m)	Interval (m)	Au (g/t)
KS/JS-128	4464350	7355450	-45	270	300.9	22.95	1.35	5.87
						52.10	3.15	11.07
						59.55	8.95	11.42
						69.90	3.40	5.64
						76.75	8.40	10.06
						106.95	2.90	3.51
						113.00	1.25	1.91
						122.30	5.90	2.34
						131.10	2.40	3.22

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, and Vancouver, Canada, using procedures Au-AA25. Gold values exceeding 3 g/t were re-assayed by AU-GRA22 method. Intercepts reported at a 1 g/t gold cut-off.

Figure 1 – Juomasuo drill hole location plan.

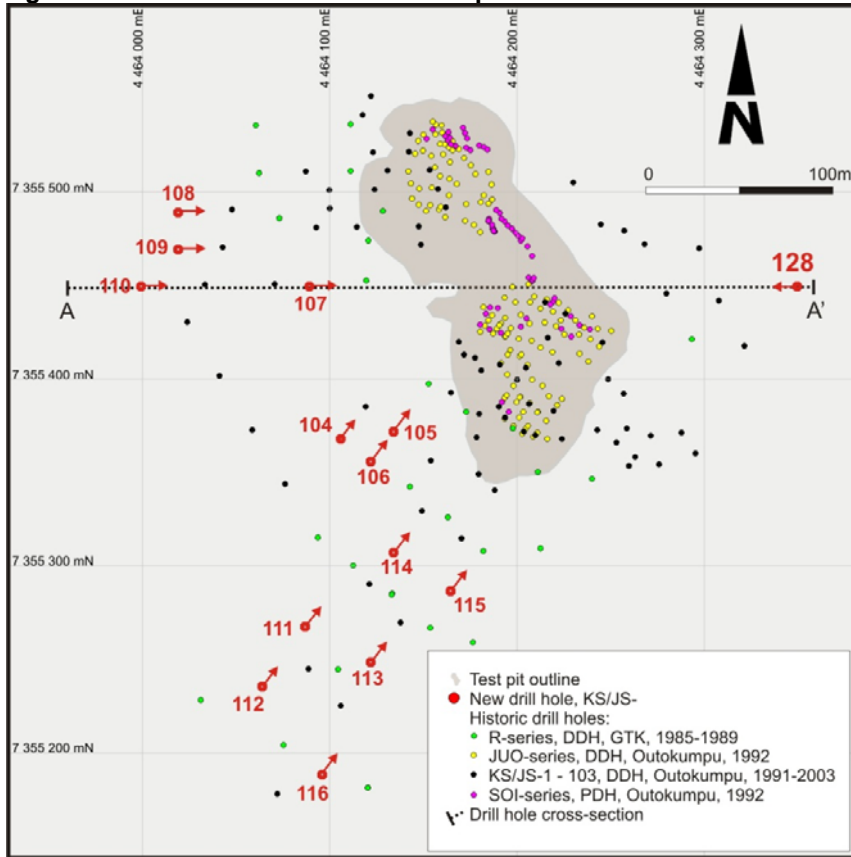


Figure 2 – Profile (A-A') drill hole KS/JS-128.

