



ASX ANNOUNCEMENT

15 SEPTEMBER 2011

FURTHER EXCEPTIONAL RESULTS FROM KUUSAMO NORTH, FINLAND

Dragon Mining is pleased to announce the receipt of further results from the Kuusamo Gold Project, analysis returning a number of very encouraging intercepts, including an exceptional **9.00m @ 30.17 g/t gold** in drill hole KS/HL-73.

This intercept provides significant encouragement for the continuation of the Hangaslampi lode system down plunge. Drill testing of the up dip extensions of the lode system returned intercepts of **12.45m @ 7.15 g/t gold** and **6.00m @ 7.51 g/t gold** in holes KS/HL-69 and KS/HL-72, respectively.

The 20 hole, 2,022 metres drilling campaign that tested the extensions of the identified lodes at Hangaslampi was completed in August. All results received to date from this campaign are provided in Table 1, with assays for the remaining 8 holes pending.

Hangaslampi is located 1,000 metres south of Juomasuo and comprises a series of moderately dipping, closely spaced lodes that remain open in all directions.

Drilling will resume at Hangaslampi upon the completion of a 7 hole, 1,000 metre campaign at the Pohjasvaara deposit, 1,400 metres southeast of Juomasuo, which was planned to test the near surface strike extensions and depth continuations of identified lodes. Two diamond core rigs continue to advance programs at Juomasuo.

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, 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 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 this announcement of the matters based on his information in the form and context in which it appears.

Table 1 – Results from diamond core drilling at the Hangaslampi deposit, Kuusamo North project.

Hole ID	Northing	Easting	Dip (°)	Azimuth (°)	Length (m)	From (m)	Interval (m)	Au (g/t)	Co (ppm)	Cu (ppm)	U (ppm)	TREO (ppm)
KS/HL-65	7354575	4464396	-45	90	50.4	31.20	1.90	1.67	571	2	694	399
						35.70	0.25	2.86	3,180	4	14	255
						46.60	6.55	2.49	1,275	4	225	358
KS/HL-66	7354475	4464393	-45	90	55.6	15.20	2.50	9.33	79	4	2	195
KS/HL-67	7354425	4464377	-64	90	74.3	10.15	0.75	2.74	3,590	2	167	6,323
						15.10	5.00	3.40	716	4	9	888
						26.20	1.15	1.22	521	22	57	1,305
						29.95	1.45	1.52	315	9	12	157
KS/HL-68	7354425	4464267	-60	90	125.0	No significant gold intercepts						
KS/HL-69	7354413	4464367	-65	90	73.2	11.00	4.15	1.80	406	2	100	1,312
						43.00	12.45	7.15	499	4	78	372
KS/HL-70	7354413	4464329	-65	90	100.7	66.60	1.40	1.09	8	0	3	131
KS/HL-71	7354412	4464297	-65	90	121.9	60.55	1.30	1.01	989	2	13	420
						66.10	1.65	1.24	38	2	2	91
						70.85	4.80	1.80	33	2	4	104
						82.55	1.60	2.48	669	5	16	288
KS/HL-72	7354400	4464365	-58	90	65.1	7.00	2.10	2.33	26	1	1	66
						45.30	6.00	7.51	418	5	24	614
KS/HL-73	7354400	4464267	-59	90	143.1	95.35	9.00	30.17	214	2	3,158	593
KS/HL-74	7354375	4464368	-57	90	73.0	48.75	1.10	8.22	16	2	2	508
KS/HL-75	7354375	4464332	-55	90	95.1	No significant gold intercepts						
KS/HL-78	7354300	4464298	-45	90	120.2	No significant gold intercepts						

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, ME-4ACD81, ME-ICP06, ME-MS81. Gold values exceeding 3 g/t and uranium values exceeding 1,000 ppm were re-assayed by AU-GRA22 and U-XRF-10 methods, respectively. Total REO values have been calculated by the addition of REO values of Ce, Dy, Er, Eu, Gd, Ho, La, Lu, Nd, Pr, Sm, Tb, Tm, Y and Yb. The TREO values have been calculated as the sum of all REE as REE2O3, with the exception of Ce (CeO2), Pr (Pr6O11) and Tb (Tb4O7). Intercepts reported at a 1 g/t gold cut-off.

Figure 1 – Kuusamo North - Juomasuo, Hangaslampi and Pohjasvaara deposits.

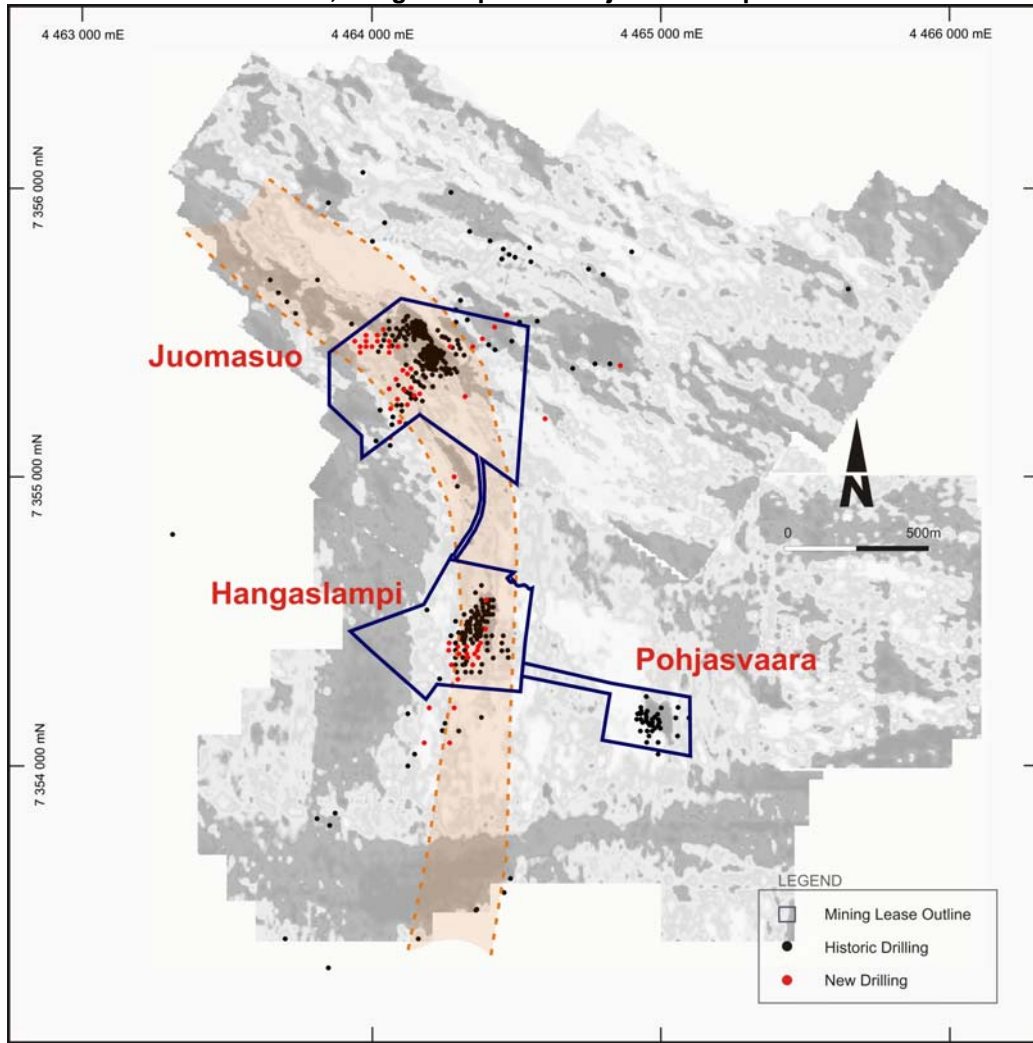


Figure 2 – Hangaslampi drill hole plan with location of cross sections.

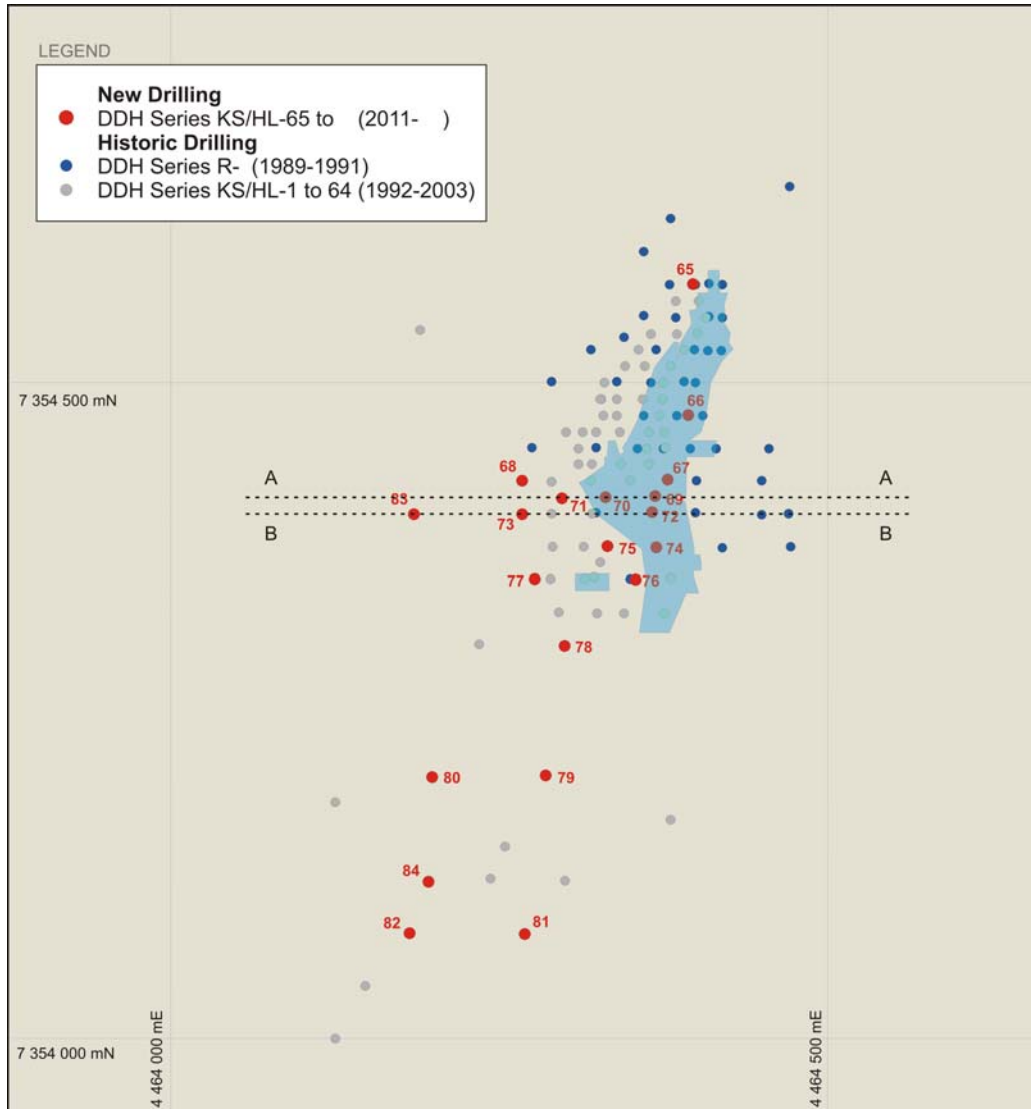


Figure 3 – Hangaslampi drill hole cross section A-A (7354412.5 mN).

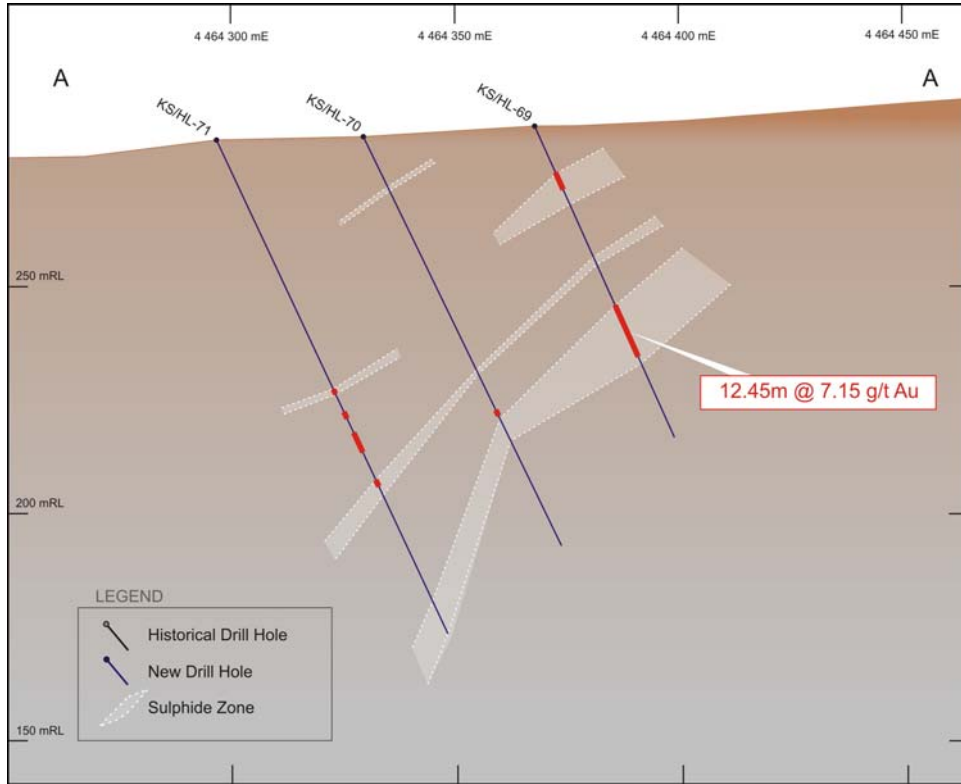
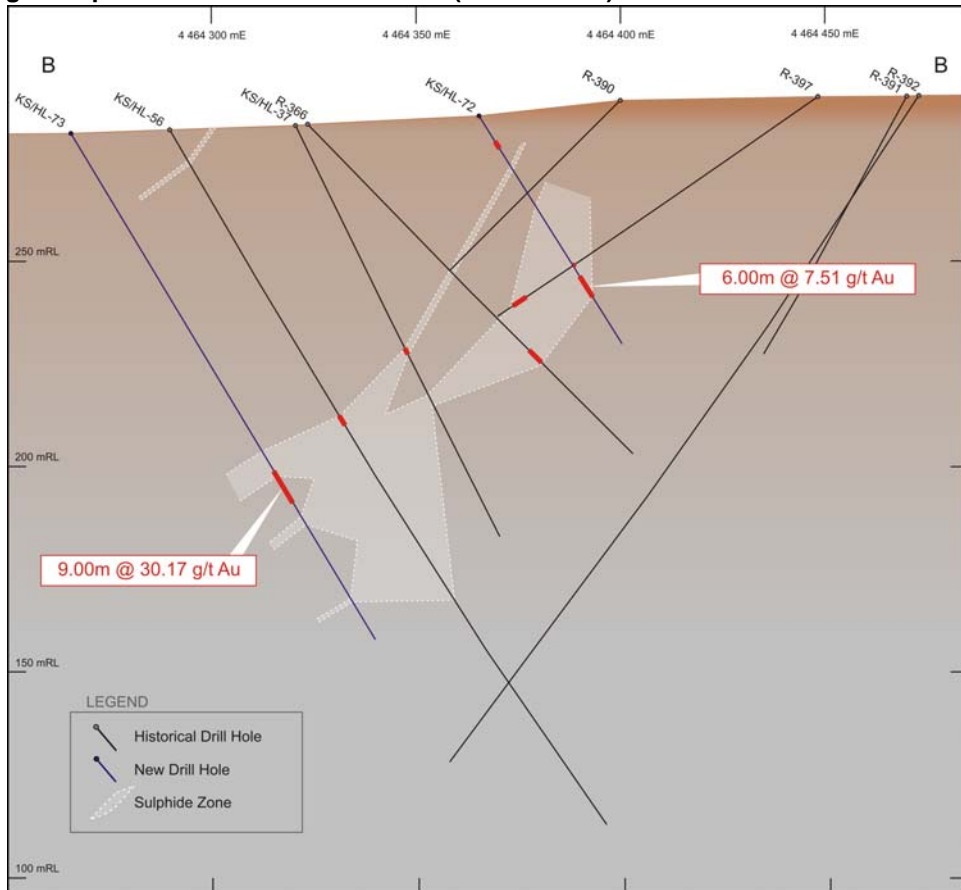


Figure 4 – Hangaslampi drill hole cross section B-B (7354400 mN).



Background

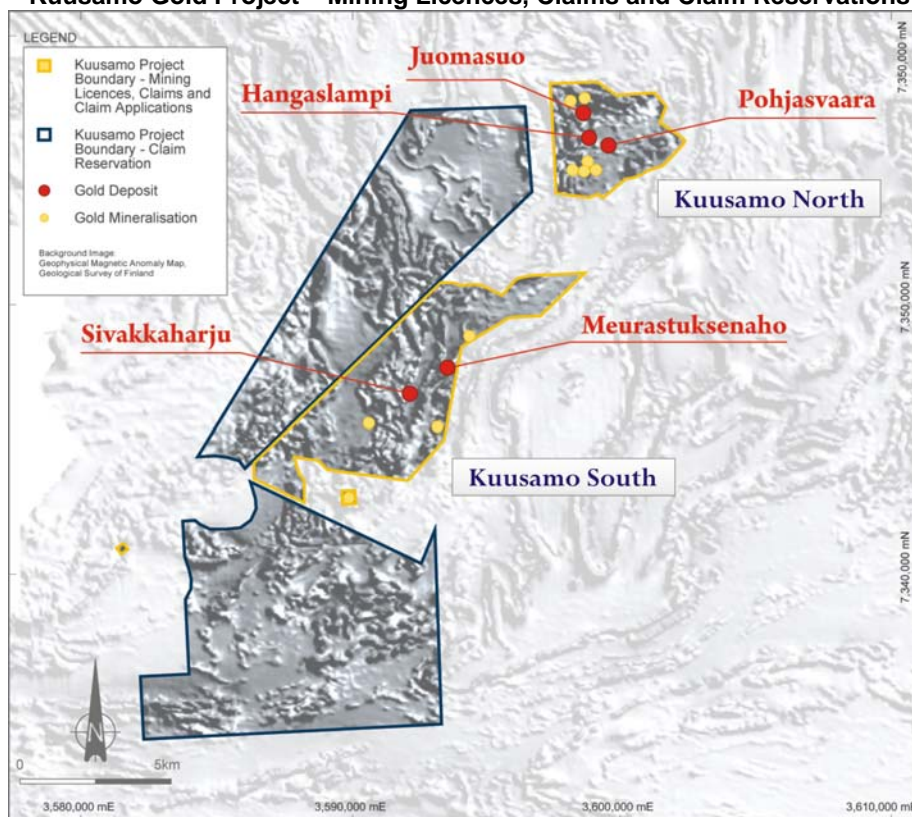
The Kuusamo Gold Project is located approximately 700 kilometres northeast of Helsinki. It comprises five known gold deposits with a combined Indicated and Inferred Resource of 2.19 Mt @ 5.4 g/t gold (383,500 ounces). The deposits remain open along strike and with depth.

Numerous indications of gold mineralisation have also been identified within the surrounding areas. These indications provide a pipeline of prospects to advance and serve to highlight the overall potential of the Kuusamo region.



Location of Projects

Kuusamo Gold Project – Mining Licences, Claims and Claim Reservations



Kuusamo Gold Project Resource Inventory as at 31 December 2010. Reported at a 2 g/t gold cut-off.

	Tonnes	Gold (g/t)	Cobalt (%)	Gold (ozs)	Cobalt (t)
Measured	-	-	-	-	-
Indicated	786,000	7.0	0.12	177,000	930
Inferred	1,404,000	4.6	0.17	206,500	2,330
Total	2,189,000	5.4	0.15	383,500	3,250