

ASX ANNOUNCEMENT

27 MARCH 2012

ENCOURAGING GOLD INTERCEPTS FROM KUUSAMO NORTH, FINLAND

Dragon Mining is pleased to announce the receipt of results from the Juomasuo deposit at the Kuusamo Gold Project in northern Finland, including intercepts of **7.20m @ 8.76 g/t gold**, **4.80m @ 4.70 g/t gold** and **10.20m @ 9.53 g/t gold**.

The results are from the first 5 holes of a 29 diamond core drill hole, 7,770 metre program (Phases 8 & 9), which has been designed to test the strike and depth extensions of identified lodes of the Juomasuo deposit to a depth of 250 metres below surface. A full list of intercepts is provided in Table 1.

Executive Chairman Peter Cordin stated, *"These results are extremely encouraging. They occur outside the current resource model, confirming that mineralisation extends below and along strike from identified lodes at grades commensurate with the upper portion of the deposit."*

Juomasuo is the largest of the gold deposits identified to date in the Kuusamo North area. It comprises a set of closely spaced sub-parallel lodes, which remain open down plunge. Since recommencing exploration in November 2010, Dragon Mining has completed 87 holes, 21,386 metres at Juomasuo returning a number of exceptional gold intercepts including the previously released 31.90m @ 45.67 g/t gold, 34.90m @ 9.30 g/t gold, 25.60m @ 9.66 g/t gold, 17.75m @ 16.59 g/t gold, 14.55m @ 4.81 g/t gold, 11.85m @ 5.30 g/t gold, 7.30m @ 8.18 g/t gold, 5.30m @ 12.97 g/t gold and 5.65m @ 16.56 g/t gold.

Two diamond core drill rigs continue to advance the current program, which is expected to be completed in May.

Assays have also been received from a 7 diamond core drill hole (1,023.30 metres) campaign undertaken at the Pohjasvaara deposit, yielding a best intercept of **3.45m @ 20.60 g/t gold** (Table 2).

The Pohjasvaara gold deposit is located 1,400 metres southeast of Juomasuo and represents a steeply dipping, medium to high grade body of gold mineralisation that remains open along strike and with depth. Thirty-seven holes (3,409 metres) were drilled at Pohjasvaara by the Geological Survey of Finland and Outokumpu Mining Oy between 1985 and 2002. This drilling returned a number of very encouraging intercepts including 11.20m @ 5.09 g/t gold, 4.80m @ 13.03 g/t gold, 4.00m @ 15.16 g/t gold, 7.00m @ 7.89 g/t gold, 20.40m @ 5.54 g/t gold, 11.00m @ 7.12 g/t gold, 2.80m @ 319.42 g/t gold, 4.00m @ 72.81 g/t gold and 6.00m @ 8.81 g/t gold.

For and on behalf of
Dragon Mining Limited

Peter G Cordin
Executive Chairman

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists and Mr Matti Talikka 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 Matti Talikka 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 – Drill results Juomasuo Gold Deposit.

Hole ID	Northing	Easting	Elevation	Azimuth (°)	Dip (°)	Length (m)	From (m)	Interval (m)	Au (g/t)	Co (ppm)	Cu (ppm)	U (ppm)	TREO (ppm)
KS/JS-180	7355272.9	4464016.8	261.5	36.0	-60	449.1	101.20	3.00	2.60	282	0	27	113
							196.90	3.80	1.23	1,289	344	72	193
							205.40	4.80	4.70	1,783	149	74	295
KS/JS-181	7355211.9	4464024.0	260.8	35.0	-60	331.8	243.90	10.20	9.53	973	30	619	401
							includes 0.30 metres @ 226.00 g/t gold from 244.65 metres						
KS/JS-185	7355330.9	4464199.0	271.2	33.4	-50	270.9	59.60	6.30	4.12	553	0	60	140
							71.90	1.25	5.80	1,865	287	658	350
							113.80	1.60	13.20	687	221	876	326
							186.70	3.00	1.17	293	1,123	13	121
							192.70	7.20	8.76	4,247	1,708	7	427
KS/JS-186	7355318.0	4464215.4	271.0	38.1	-50	271.5	188.60	2.00	1.53	1,015	1,043	14	580
KS/JS-187	7355265.6	4464210.5	268.3	31.9	-60	301.9	No significant gold intercepts						

Preparation of half core samples was completed at the ALS Minerals facility in Outokumpu, Finland, and analysis completed at ALS Minerals 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. 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.

Table 2 – Drill results Pohjasvaara Gold Deposit.

Hole ID	Northing	Easting	Elevation	Azimuth (°)	Dip (°)	Length (m)	From (m)	Interval (m)	Au (g/t)	Co (ppm)	Cu (ppm)	U (ppm)	TREO (ppm)
KS/POV-22	7354219.9	4464966.8	290.0	95.5	-45	90.1	No significant gold intercept						
KS/POV-23	7354219.8	4464930.3	290.0	88.5	-45	130.5	No significant gold intercept						
KS/POV-24	7354138.9	4464900.4	287.4	89.4	-50	142.6	No significant gold intercept						
KS/POV-25	7354199.8	4464880.4	291.6	87.6	-55	199.9	93.80	1.10	1.18	929	2,140	2	820
KS/POV-26	7354160.1	4464880.5	289.2	88.1	-55	199.9	140.20	3.45	20.60	537	2,306	2	2,070
KS/POV-27	7354119.9	4464880.3	287.5	89.1	-55	199.6	131.50	1.00	5.19	1,315	3,850	4	360
KS/POV-28	7354298.9	4465059.5	284.3	84.8	-45	60.7	No significant gold intercept						

Preparation of half core samples was completed at the ALS Minerals facility in Outokumpu, Finland, and analysis completed at ALS Minerals 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. 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.

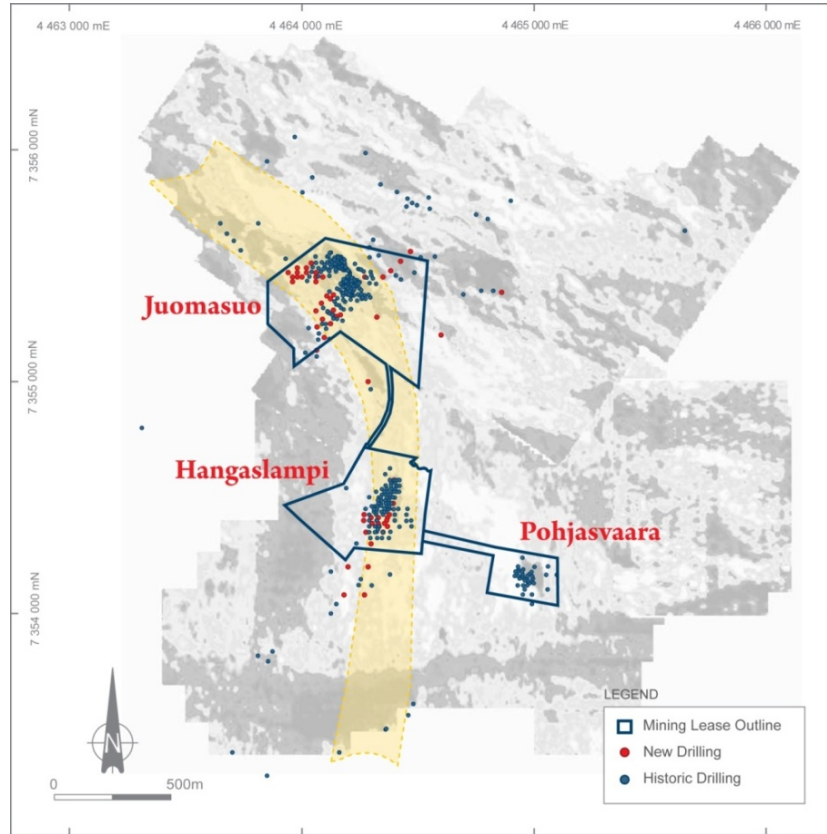


Figure 1 – Kuusamo North - location of the Juomasuo, Hangaslampi and Pohjasvaara deposits.

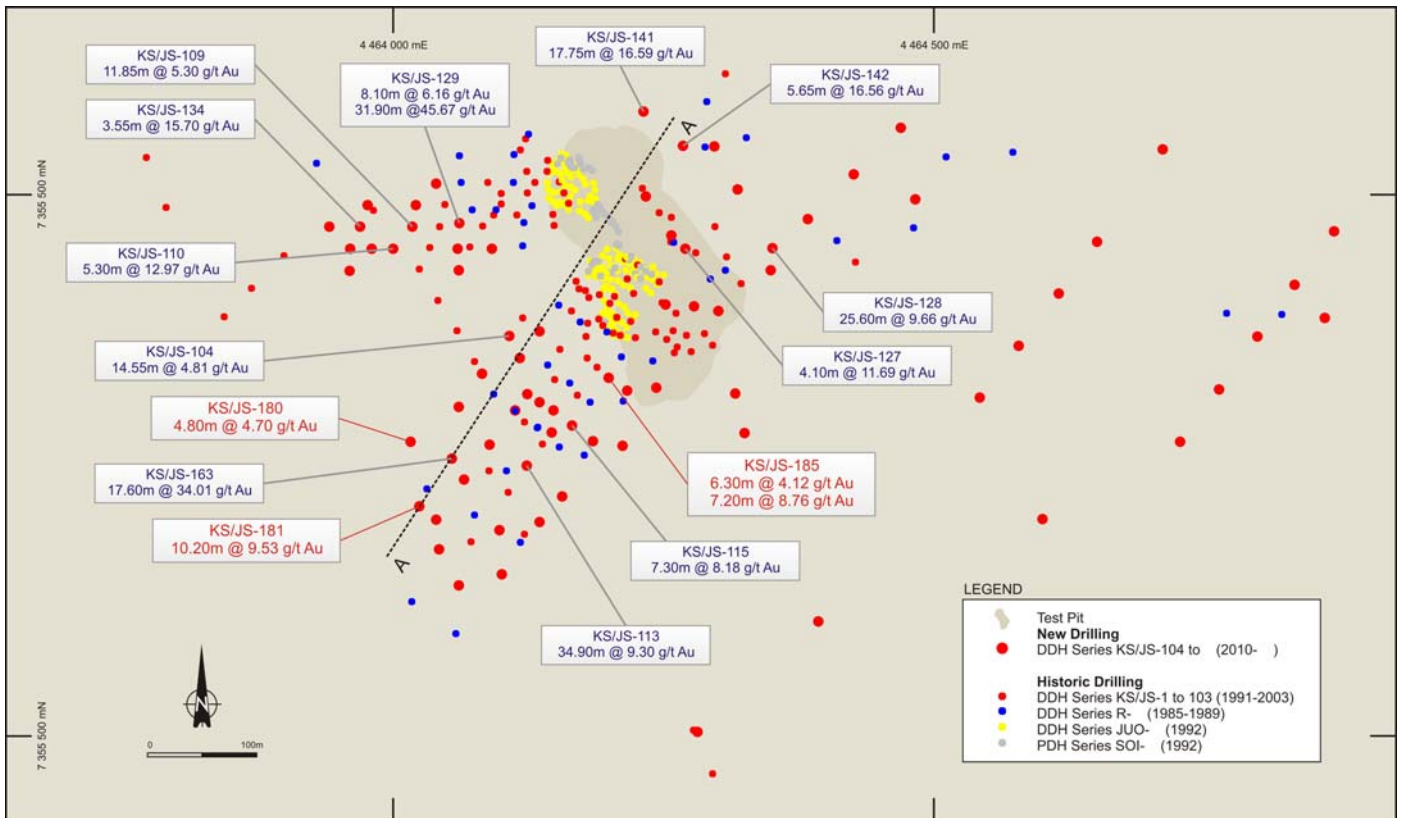
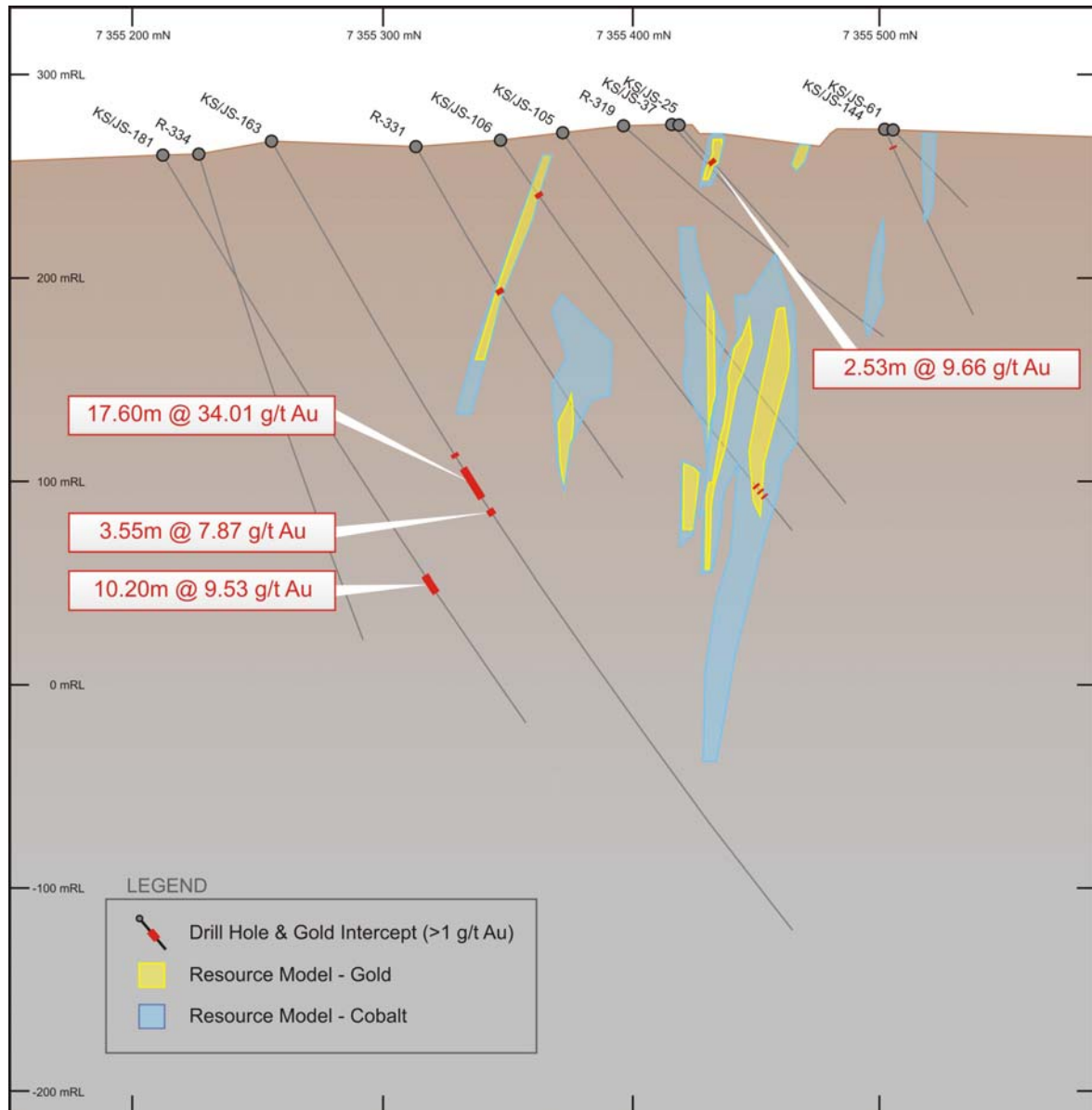


Figure 2 – Juomasuo drill hole location plan.

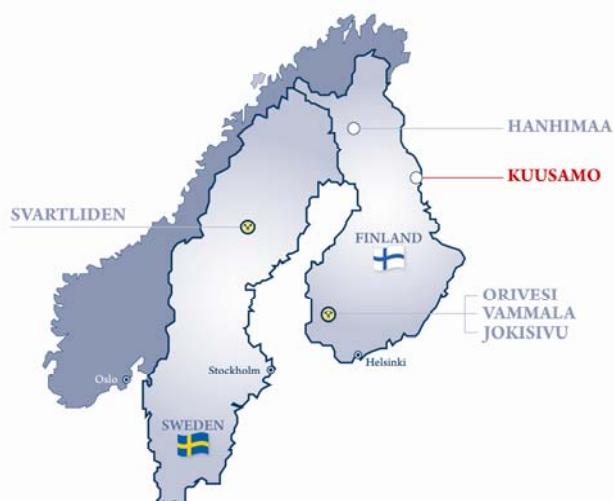
Figure 3 – Juomasuo Cross Section A-A



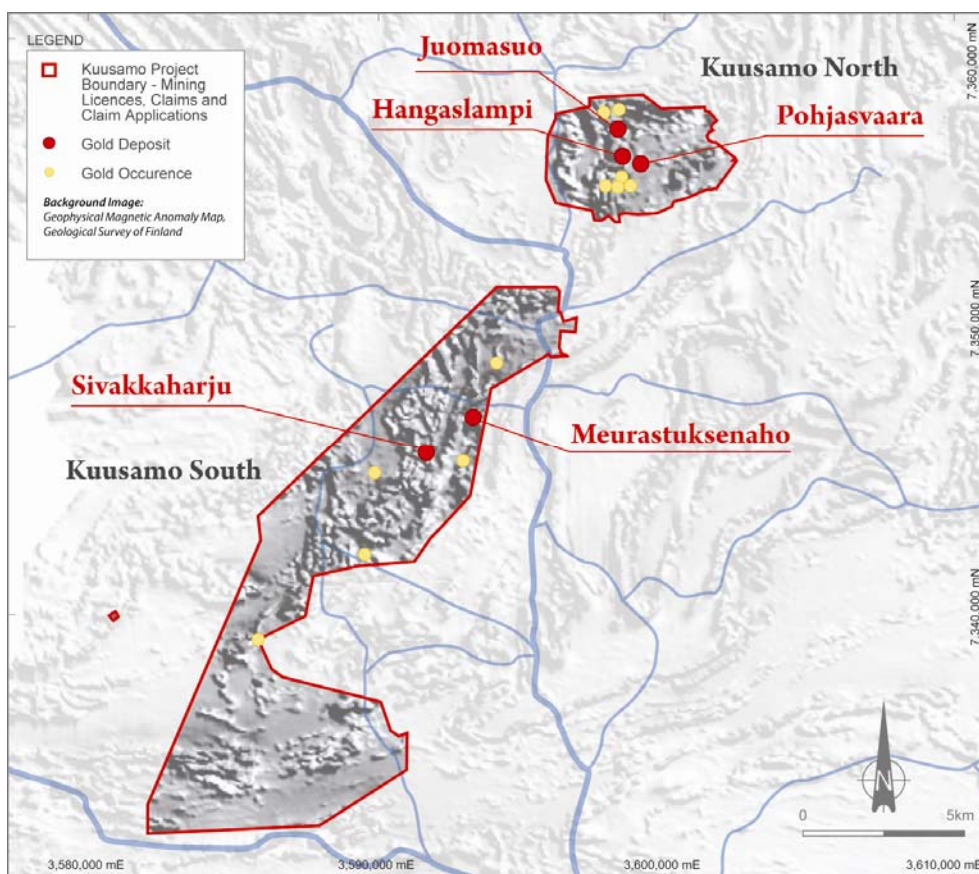
Background

Dragon Mining's key exploration project, Kuusamo is located approximately 700 kilometres northeast of Helsinki in northern Finland. It comprises five known gold deposits with a combined Indicated and Inferred Resource of 460,700 ounces grading 4.2 g/t gold.

Numerous indications of gold mineralisation have also been identified within the 117 km² core holding, which provides the company with a pipeline of prospects to advance and serves to highlight the overall potential of the largely underexplored Kuusamo region.



Location of Projects



Kuusamo Gold Project – Mining Licences, Claims and Claim Applications

Kuusamo Gold Project Total Gold Resource. Reported at a 1 g/t gold cut-off.

	Tonnes	Gold (g/t)	Cobalt (%)	Gold (ozs)	Cobalt (t)
Measured	-	-	-	-	-
Indicated	1,820,000	5.3	0.13	308,500	2,320
Inferred	1,576,000	3.0	0.17	152,200	2,680
Total	3,396,000	4.2	0.15	460,700	5,000