



ASX ANNOUNCEMENT

14 OCTOBER 2009

DRAGON MINING SECURES WORKING CAPITAL FACILITY WITH MAJOR NORDIC BANK

Dragon Mining Limited is pleased to announce that its 100% owned Finnish subsidiary, Polar Mining Oy has secured a two million euro working capital facility with Nordea Bank Finland Plc, a subsidiary of one of the Nordic regions leading financial institutions, Nordea Bank AB. The funds will be used for the continued development of the Jokisivu Gold Mine in Finland and provide ongoing working capital for the Company's Finnish operations.

The loan facility, half of which is guaranteed by Finland State owned Finnvera Plc, is to be repaid in two equal instalments in June 2010 and December 2010. The interest rate on amounts drawn under the facility will be charged at euribor (currently 0.432%) plus 3% and is payable monthly in arrears.

Dragon Mining maintains a healthy cash position but the facility is important in establishing a working relationship with a major Nordic institution with the capability of providing financing for Dragon Mining's future development programs including the underground operations at both the Svartliden Gold Mine in Sweden and Jokisivu Gold Mine.

For and on behalf of
Dragon Mining Limited

Peter G Cordin
Managing Director