



ASX ANNOUNCEMENT

19 JANUARY 2010

FURTHER RESULTS FROM DRILLING, ERITREA

Zara Joint Venture, Eritrea (Dragon Mining Limited - 20% Free Carried Interest)

The following announcement was released by Joint Venture partner Chalice Gold Mines Limited (ASX Code: CHN) detailing further results from infill drilling at the Koka Gold Deposit in Eritrea which include intersections of **8m @ 9.47 g/t gold, 6m @ 26.92 g/t gold, 11m @ 4.68 g/t gold, 18m @ 29.30 g/t gold and 11m @ 8.29 g/t gold.**

The Zara Joint Venture comprises four Exploration Licenses and two Prospecting Licenses covering an area of 615km² situated in northern Eritrea, approximately 160km northwest of Asmara city. The project is managed by Chalice Gold Mines and Dragon Mining has a 20% interest and is free carried through to completion of a bankable feasibility study.

For and on behalf of
Dragon Mining Limited

Peter G Cordin
Managing Director