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Companies Announcement Office
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

ENCOURAGING RESULTS FROM DRILLING AT ORIVESI GOLD MINE, FINLAND

Dragon Mining NL is pleased to announce encouraging results were obtained from the first drill hole of an underground diamond core drilling program designed to upgrade and confirm existing resources at the Orivesi Gold Mine in Finland.

KU-840, a 138 metre drill hole drilled on level +665m, intersected two zones of mineralization above a 1g/t gold lower cut-off. The first intercept of 2.95 metres up hole at a grade of 4.7 g/t gold is located at the margin of the previously mined "Pipe 5". The second and more significant intercept of 3.2 metres up hole at a grade of 11.1 g/t gold (including 1.5 metres @ 22.1 g/t gold) is located approximately 50 metres northeast of "Pipe 5". The true width of this zone has yet to be determined.

The latter intersection may indicate the presence of a new high grade zone of mineralisation, in close proximity to the Orivesi Gold Mine. It will be further tested by additional diamond core drilling, as the planned program progresses.

| Hole | Easting | Northing | Dip (deg) | Azimuth (deg) | Intercept (m) | Grade (g/t Au) | From (m) |
|--------|------------|------------|-----------|---------------|---------------|----------------|----------|
| KU-840 | 2508561.34 | 6838509.56 | 24.0 | 035.8 | 2.95 | 4.70 | 0.05 |
| | | | | | 3.20 | 11.10 | 56.15 |
| | | | | including | 1.50 | 22.10 | 56.15 |

* Analysis of half core was completed at the ALS Chemex laboratory in Perth, Australia using procedure Au 50g FA AA finish, following sample preparation at Okun Autolahetti Oy facility in Finland.

Note 1 - The information in this report that relates to Exploration Results is based on information compiled by Mr Neale Edwards BSc (Hons), a Member 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 a 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 the report of the matters based on his information in the form and context in which it appears.

Yours faithfully

Peter G. Cordin
Managing Director