

ASX ANNOUNCEMENT

28 November 2006

**HIGH-GRADE GOLD RESULTS FROM CONFIRMATION DRILLING OF THE SARVISUO LODE SYSTEM AT THE ORIVESI MINE, FINLAND**

Dragon Mining NL is pleased to announce high-grade gold results were obtained from the first nine drill holes of an underground diamond core drilling program designed to confirm existing resources of the Sarvisuo lode system, at its Orivesi Mine in Finland. Best results received to date include 4.40 metres grading 18.17g/t gold, 8.15 metres grading 21.72g/t gold and 7.40 metres grading 8.53g/t gold.

**Table 1 - Intercepts from the first nine drill holes of the confirmation drilling program at Sarvisuo. Lower-cut off grade 1 g/t gold.**

Hole	Easting	Northing	Dip (°)	Azimuth (°)	Intercept (m)	Grade (g/t gold)	From (m)
KU-851*	2508798.31	6838493.98	-14.70	331.9	0.90	3.76	87.15
KU-852*	2508799.11	6838494.23	-15.70	345.7	0.25	9.32	10.50
KU-853*	2508799.51	6838494.27	-15.70	355.9	4.40	18.17	51.95
KU-853*	2508799.51	6838494.27	-15.70	355.9	0.55	1.09	65.30
KU-854*	2508799.85	6838494.44	-15.80	3.2	3.95	4.73	50.25
					<i>includes 1.55m @ 9.04g/t gold from 52.65m</i>		
KU-854*	2508799.85	6838494.44	-15.80	3.2	1.00	1.42	59.70
KU-858*	2508824.50	6838496.96	-9.4	347.8	1.90	4.90	51.10
KU-858*	2508824.50	6838496.96	-9.4	347.8	0.95	1.21	87.75
KU-858*	2508824.50	6838496.96	-9.4	347.8	1.45	3.54	114.15
KU-859*	2508825.25	6838497.04	-9.8	358.8	1.00	4.64	34.20
KU-859*	2508825.25	6838497.04	-9.8	358.8	0.65	1.74	55.15
KU-859*	2508825.25	6838497.04	-9.8	358.8	0.90	4.16	72.40
KU-859*	2508825.25	6838497.04	-9.8	358.8	6.35	8.23	84.30
					<i>includes 3.00m @ 16.40g/t gold from 87.65m</i>		
KU-860**	2508825.86	6838497.10	-9.9	11.5	3.45	1.42	61.40
KU-860**	2508825.86	6838497.10	-9.9	11.5	1.80	1.35	68.45
KU-860**	2508825.86	6838497.10	-9.9	11.5	8.15	21.72	71.85
					<i>includes 5.00m @ 33.92g/t gold from 74.50m</i>		
KU-857**	2508850.64	6838497.80	-8.7	359.9	1.00	2.84	59.15
KU-857**	2508850.64	6838497.80	-8.7	359.9	1.00	2.41	62.15
KU-857**	2508850.64	6838497.80	-8.7	359.9	7.40	8.53	71.85
					<i>includes 2.90m @ 16.42g/t gold from 71.85m</i>		
KU-861**	2508866.69	6838512.11	-4.1	357.2	1.25	1.73	41.40
KU-861**	2508866.69	6838512.11	-4.1	357.2	1.10	5.31	50.65

\* 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.

\*\* Analysis of half core was completed at the laboratory of Geological Survey of Finland in Finland using procedure Au 60g FA +gravimetric finish, following sample preparation at Okun Autolahetti Oy facility in Finland.

Since September 2006 underground drilling has been conducted at Sarvisuo, approximately 300 metres east of the previously mined Kutema lode system at the Orivesi Mine. The aim of this program has been to confirm the geometry and grade of the gold lodes at Sarvisuo. Drilling commenced on mine level +300, which is approximately 140 metres vertically below surface. The initial phase of the confirmation drilling program comprised a total of 14 close spaced drill holes on one horizontal section.

The first nine completed drill holes intersected the western and central part of the Sarvisuo lode system, and as expected the previously defined lodes have been shown to split into several gold shoots ("pipes") similar to those which were mined at Kutema. Three of these defined shoots returned higher-grade intercepts, whilst lower-grade intercepts may indicate the existence of other shoots, which have the potential to develop into higher-grade shoots on levels both up and down dip.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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.*

For and on behalf of  
**Dragon Mining NL**

**Peter G Cordin**  
Managing Director