

ASX ANNOUNCEMENT

13 June 2007

STATUS OF NICKEL-COPPER RESOURCE EVALUATION AT VAMMALA IN SOUTHERN FINLAND

Commenced in January 2007, Dragon Mining is undertaking an evaluation of the nickel-copper potential of the Vammala area, primarily focussing on the historic nickel-copper Stormi and Ekojoki occurrences that are located in the immediate vicinity of Vammala Process Facility.

The impetus for nickel-copper exploration in the Vammala area followed the discovery of the first indications of nickel bearing peridotite in 1960. The Stormi deposit and a number of smaller nickel-copper occurrences, including Ekojoki were identified by Outokumpu Oy in the preceding years. Stormi was the only occurrence mined, operations undertaken between 1978-1995, producing a total of 7.5Mt of ore grading 0.68% Ni and 0.43% Cu. Mined by both open cut and underground methods, ore was extracted from seven separate lodes and treated at the Vammala Process Facility at a nominal rate of 600,000 tonnes per annum. Over the life of the operation a total of 455,000 tonnes of nickel-copper concentrate was produced.

Dragon Mining has now completed the compilation of historic drilling data focusing on mineralized areas not mined at Stormi and the unmined Ekojoki occurrence. The Vammala nickel-copper database contains historical information from 373 drill holes and will form the base for new resource estimates scheduled to be calculated during coming months.

The better intercepts from the 320 drill holes from the Stormi nickel-copper occurrence are listed in Tables 1 and 2. The disseminated nickel-copper sulphide intercepts in Table 2 are from the largest potential underground resource at Laukula.

Table 1 – Historic intercepts of massive and semi massive nickel-copper sulphides from Stormi

Hole	North	East	Azimuth (°)	Dip (°)	Intercept (m)	Ni (%)	Cu (%)	From (m)
OKVA-762	6803242.56	2448054.54	225	-74.4	4.85	1.12	0.27	68.55
OKVA-833	6803262.51	2448039.27	225	-74.8	3.35	1.02	0.47	69.55
OKVA-957	6803142.58	2448159.71	360	-9.2	8.95	1.20	0.41	104.05
			<i>includes</i>		3.50	2.10	0.34	109.00
OKVA-634	6803550.47	2448344.14	270	44.6	4.20	1.82	0.26	39.90
OKVA-636	6803537.48	2448352.96	270	23.6	6.55	1.64	1.16	52.70
			<i>includes</i>		2.85	2.80	0.36	55.60
OKVA-718	6803500.00	2447474.30	270	-50.0	10.05	1.36	0.81	24.00
OKVA-1043	6803500.00	2447485.84	270	-49.9	8.05	1.57	0.72	26.45
OKVA-1045	6803506.25	2447485.84	270	-55.2	15.10	0.99	1.00	19.90
			<i>includes</i>		8.70	1.26	1.15	26.30
OKVA-1046	6803506.25	2447477.18	270	-54.8	3.45	1.62	1.08	19.05

Drilling undertaken by Outokumpu Oy by diamond core methods. Analyses of half core samples were completed at the onsite laboratory, using HNO₃+Br digestion with AAS finish.

Table 2 – Historic intercepts of disseminated nickel-copper sulphides from Laukula, Stormi

Hole	North	East	Azimuth (°)	Dip (°)	Intercept (m)	Ni (%)	Cu (%)	From (m)
OKVA-836	6803238.99	2448059.75	180	-70.1	15.15	0.50	0.35	112.2
OKVA-837	6803238.19	2448059.76	180	-46.8	31.05	0.41	0.31	152.7
OKVA-758	6803136.57	2448160.84	228.5	-83.9	48.10	0.33	0.22	91.25

Analyses of half core samples were completed at the onsite laboratory using HNO₃+Br digestion with AAS finish.

The Ekojoki nickel-copper deposit is approximately three kilometres west of the Vammala Process Facility. The Ekojoki database includes geological and assay data from a total of 53 diamond drill holes.

Table 3 – Historic intercepts from the Ekojoki nickel-copper occurrence

Hole	North	East	Azimuth (°)	Dip (°)	Intercept (m)	Ni (%)	Cu (%)	From (m)
TY-153	6803883.00	2446843.00	180	-50.4	6.44	0.82	1.21	156.96
TY-159	6803855.00	2446798.00	180	-61.2	2.98	1.20	0.23	35.16
TY-164	6803690.00	2446700.00	180	-56.2	6.16	0.86	0.47	53.54
VM/EJ-2	6803730.00	2446750.00	180	-50.3	6.40	0.85	0.95	27.20
					4.45	1.07	0.48	109.10
VM/EJ-5	6803790.00	2446800.00	180	-54.5	13.90	0.87	0.62	67.95
VM/EJ-6	6803790.00	2446800.00	180	-75.8	4.50	0.87	0.60	106.60
VM/EJ-20	6804080.00	2446870.00	270	-51.8	4.90	0.73	0.42	83.45
VM/EJ-22	6803830.00	2446842.00	180	-56.8	1.85	0.89	0.46	122.05
VM/EKO-3	6804115.00	2447110.00	180	-48.8	6.70	1.67	0.29	53.20

Drilling undertaken by Outokumpu Oy by diamond core methods. Analysis of half core samples were completed at the onsite laboratory and the Geoanalytical Laboratory in Outokumpu, using HNO₃+Br digestion with AAS finish.

The Company intends to complete mineral resource estimates for the Stormi and Ekojoki deposits in July 2007. In conjunction with the new resource studies preliminary investigations will be carried out into permitting, metallurgy, mining and exploration.

For and on behalf of
Dragon Mining Limited

Peter G Cordin
Managing Director

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.