

ASX ANNOUNCEMENT

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DRILLING AT SARVISUO CONTINUES TO RETURN HIGH GRADE INTERCEPTS

Further high-grade gold intercepts have been received from delineation drilling of the Sarvisuo lode system at the Orivesi Mine, including 2.35 metres grading 56.95 g/t gold and 3.65 metres grading 106.70 g/t gold.

Underground diamond core drilling at Sarvisuo has been conducted since September 2006, to improve confidence in the geometry and grade of the identified Sarvisuo lode system. Results available to date indicate that the previously defined high-grade shoots or pipes extend vertically downwards, with recent high-grade intercepts obtained from between the 320m and 360m levels. Results also continue to indicate that the Sarvisuo system, like the previously mined Kutema system 300 metres to the east, displays a high degree of grade variability between different pipes and vertically within the pipes themselves.

Table 1 – New intercepts from recent underground drilling at Sarvisuo from the 340m level

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Intercept (m)	Gold (g/t)
KU-904	6,838,501.83	2,508,818.77	333.2	-10.0	48.70	1.30	2.33
KU-905	6,838,502.10	2,508,819.62	339.5	-2.4	45.00	1.20	6.30
KU-913	6,838,492.15	2,508,896.96	355.3	1.8	65.00	1.00	38.80
KU-914	6,838,491.81	2,508,897.54	5.9	-1.0	13.10	0.50	1.69
					59.00	1.00	2.29
					64.20	1.50	1.86
					68.50	1.50	2.50
					73.00	1.00	1.82
					78.00	1.00	3.22
KU-916	6,838,491.15	2,508,898.46	20.6	1.2	69.00	1.00	17.65
					57.50	1.50	3.47
					60.50	1.50	3.74
					82.20	1.10	2.41
KU-923	6,838,502.57	2,508,821.44	11.7	-25.9	60.45	4.00	17.45
					47.70	1.25	3.03
					68.60	2.80	4.61
					72.85	1.40	1.78
					92.20	1.25	3.19
KU-924	6,838,498.05	2,508,903.67	358.1	-18.0	43.75	2.90	12.61
					54.85	2.45	9.21
					62.45	4.95	1.66
KU-925	6,838,498.01	2,508,850.87	4.3	-18.8	73.15	1.55	1.47
					35.65	0.95	1.35
					55.10	13.95	4.96
	<i>including 1.30m @ 10.85 g/t gold from 55.10m and 1.00m @ 11.55 g/t gold from 57.20m</i>						
KU-926	6,838,497.96	2,508,851.12	11.1	-18.8	59.30	1.05	13.10
					56.70	1.45	1.89
					61.75	2.20	1.81
					64.90	2.45	2.43
KU-927	6,838,492.10	2,508,896.95	350.9	-16.4	64.70	2.35	56.95
KU-928	6,838,492.08	2,508,897.07	355.9	-15.6	65.00	1.80	10.71
KU-930	6,838,491.49	2,508,898.20	12.2	-18.4	16.50	0.40	1.40
					59.00	0.90	1.13
					70.00	0.50	5.64
					62.00	3.65	106.70
	<i>including 1.85m @ 183.30 g/t gold from 62.80m</i>						

Analysis of half core was completed at the ALS Chemex laboratory in Perth, Western Australia using procedure Au50g FA AA finish, following sample preparation at the Okun Autolahetti Oy facility in Finland. Intercepts not true width and uncut, based on a lower cut-off grade of 1g/t gold.

Table 2 – New intercepts from recent underground drilling at Sarvisuo from the 300m level

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Intercept (m)	Gold (g/t)
KU-906	6,838,502.23	2,508,820.06	351.0	-6.0	38.50	0.90	1.12
KU-918	6,838,497.81	2,508,903.67	19.7	-16.2	47.00	0.70	1.29
					53.00	1.00	22.70

Analysis of half core was completed at the ALS Chemex laboratory in Perth, Western Australia using procedure Au50g FA AA finish, following sample preparation at the Okun Autolahetti Oy facility in Finland. Intercepts not true width and uncut, based on a lower cut-off grade of 1g/t gold.

Drilling continues at Sarvisuo with rigs operating from the 260m and 380m levels, whilst preparation to update the Sarvisuo resource estimate is nearing completion.

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.