

ASX ANNOUNCEMENT

17 AUGUST 2007

Initial Nickel-Copper Mineral Resource Estimates for the Stormi and Ekojoki Projects in South Finland

Dragon Mining Limited (“Dragon” or the “Company”) has received the results of the initial Mineral Resource estimate at its two nickel-copper deposits near the Vammala Production Centre in southern Finland, totalling **2.7Mt at 0.47% nickel and 0.35% copper**. The resource is based on historical drilling data compiled by Dragon, from areas not previously mined at the Stormi nickel-copper deposit and the unmined Ekojoki nickel-copper occurrence.

The initial Mineral Resource estimate was completed by independent geological consultants Resource Evaluations Pty Ltd (ResEval) using accepted industry standard estimation methods. ResEval have classified all resources as Inferred and reported the estimate in accordance with the 2004 edition of the JORC Code. The details of the Stormi and Ekojoki resources are presented in Tables 1 and 2.

Table 1 - Stormi In-situ Inferred Mineral Resources reported at a 0.3% nickel lower cut-off.

Zone	Tonnes	Nickel (%)	Copper (%)	Nickel (t)	Copper (t)
LM-1	837,200	0.40	0.30	3,349	2,512
LM-2	74,700	0.60	0.30	448	224
PM-3	238,500	0.50	0.30	1,193	716
PM-5	182,400	0.50	0.40	912	730
D-Margin	228,100	0.40	0.20	912	456
Teinila	25,600	1.00	0.80	256	205
Sotka	13,700	1.20	0.70	164	96
Total	1,600,200	0.45	0.31	7,234	4,938

Tonnage distributions subdivided by JORC Categories, ID2 estimate using 10mE x 10mN x 10mRL block dimensions and a minimum downhole width of approximately two metres.

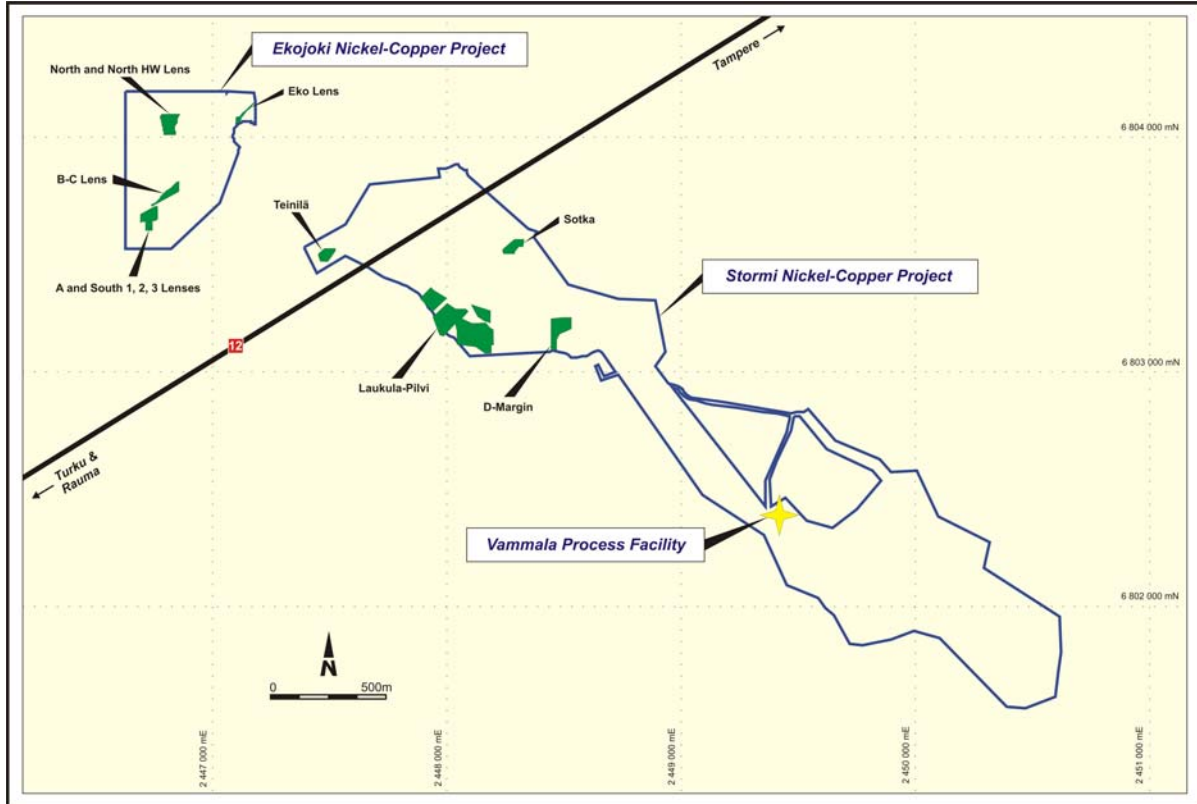
Table 2 - Ekojoki In-situ Inferred Mineral Resources reported at a 0.3% nickel lower cut-off.

Zone	Tonnes	Nickel (%)	Copper (%)	Nickel (t)	Copper (t)
A-Lens	107,000	0.50	0.50	535	535
B C – Lens	221,200	0.70	0.70	1,548	1,548
Eko Lens	47,800	1.00	0.30	478	143
North HW Lens	104,500	0.50	0.50	523	523
North Lens	585,100	0.40	0.30	2,340	1,755
South 1 Lens	4,700	0.70	0.70	33	33
South 2 Lens	19,500	0.50	0.30	98	59
South 3 Lens	6,100	0.60	0.40	37	24
Total	1,095,900	0.51	0.42	5,591	4,620

Tonnage distributions subdivided by JORC Categories, ID2 estimate using 10mE x 10mN x 10mRL block dimensions and a minimum downhole width of approximately two metres.

The Stormi Mineral Resource is located within the Vammala Mining Leases and includes seven different sulphide lodes, of which the higher-grade Teinila and Sotka lodes occur near surface. The Ekojoki deposit is located approximately 3km west of the Vammala Production Centre and 1km west of the Stormi deposit.

Figure 1 – Stormi and Ekojoki Project Outline



The Vammala nickel-copper mine was operated by Outokumpu Oy between 1975 and 1995, producing a total of 7.5Mt of ore grading 0.68% nickel and 0.43% copper from the Stormi deposit. Ore was treated at the nearby Vammala Production Centre at a rate of 600,000 tonnes per year, yielding from its operating life a total of 455,000 tonnes of nickel-copper concentrate.

The Company now intends to focus closely on the Stormi deposit, further assessing the potential to add to this resource through the application of modern exploration techniques, review the status of the historic workings and commence the permitting processes to mine and process nickel-copper ore at Vammala.

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 and Mr Urpo Kuronen MSc (Geology), a Member of the Australian Institute of Mining and Metallurgy, who are full time employees of the company and have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Neale Edwards and Mr Urpo Kuronen consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.