

ASX ANNOUNCEMENT

14 JANUARY 2008

ENVIRONMENTAL PERMIT GRANTED FOR THE JOKISIVU GOLD PROJECT, SOUTHERN FINLAND

The Supreme Court of Finland has granted an Environmental Permit to Polar Mining Oy, a wholly owned subsidiary of Dragon Mining Limited for mining operations at the Jokisivu Gold Project in southern Finland.

The Western Finland Environmental Permitting Authority originally granted environmental permission in 2004 but this decision was appealed by local residents to the Vaasa Administrative Court and subsequently to the Supreme Court. The Supreme Court has now dismissed all appeals and granted the permission in accordance with the original documentation. No further appeals can be made.

The terms and conditions of the permit are standard for mining operations in Finland, including permission to mine in total 550,000 tonnes of gold ore and waste rock annually, with open cut mining able to operate for 15 hours a day and underground mining performed for 24 hours a day.

The Jokisivu Gold Project is located 42 kilometres southwest of the Vammala Production Centre and hosts Indicated and Inferred Resources of 1,473,000 tonnes at an average grade of 6.8 g/t gold for a total of 322,700 ounces from two gold deposits – Arpola and Kujankallio.

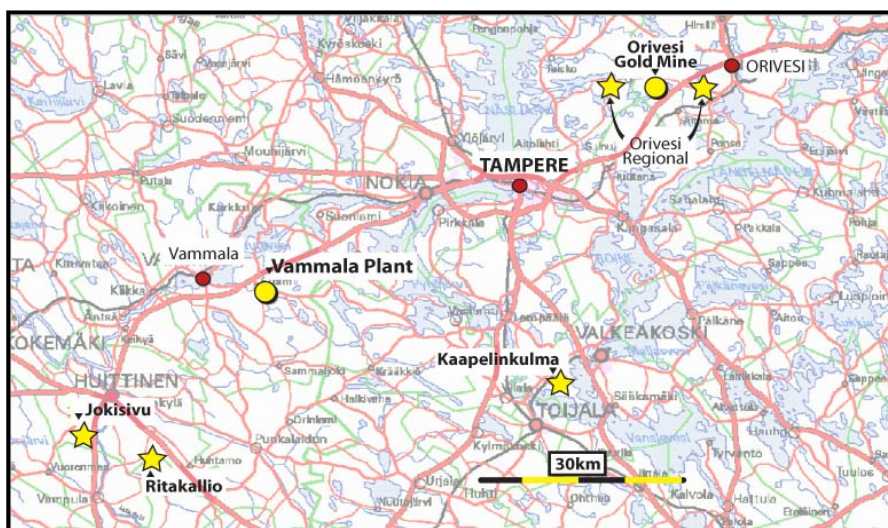
An internal feasibility study was completed in 2005 and the Company has commenced a review of this study, initially focusing on the mine planning and scheduling aspects of the proposed two open pits. The Jokisivu gold project has the potential to become Dragon Mining's third operating mine, with adequate capacity available at the Vammala Production Centre to process the ore.

Development at Jokisivu could begin in 2008, initially mining the open pits, followed by an underground operation with a decline accessing both the Arpola and Kujankallio deposits. Drilling to increase the resource inventory and upgrade resource categories, the defining of reserves for the first 2 to 3 years of operations and the finalization of underground mine planning and scheduling will precede any underground development.

Lateral and vertical extensions of all mineralized zones at both Kujankallio and Arpola remain open. The program planned for 2008 includes drilling of the strike extension of the Arpola deposit, where previous high grade intercepts warrant follow up activities.

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.