

ASX ANNOUNCEMENT

15 APRIL 2008

MINING OF SARVISUO LODES COMMENCES WHILST DRILLING EXTENDS LODE POSITIONS DEEPER AT THE ORIVESI GOLD MINE, FINLAND

Dragon Mining Limited is pleased to advise mining of the Sarvisuo lodes at the Orivesi Gold Mine in Finland commenced in early April with the first stope between the 320m and 340m levels mined, hauled and processed. The second stope is now being prepared for production, with ore expected to be delivered to the Vammala Production Centre during the second half of April.

Stoping of the Sarvisuo lodes commenced approximately three months behind schedule as additional infill drilling and sampling was required to accurately define the ore zones and underground development required to access the ore. Whilst considerable technical effort has been expended in determining the lode positions, the performance of the Sarvisuo lodes will be ultimately determined by the tonnes and grade processed through the Vammala Plant.

Recent delineation drilling at Sarvisuo has also located new lode positions on and below the 420m level. In particular, the high grade intercepts of **7.95 metres @ 6.98 g/t gold**, **12.90 metres @ 8.71 g/t gold** and **4.50 metres @ 24.71 g/t gold** on the 420m level and the first intercept on the 440m level of **2.50 metres @ 36.88 g/t gold** are considered to be very encouraging.

Drilling of holes targeting the 440m and 460m levels is nearly complete, but assay results are pending for holes from these levels, as well as for remaining drill holes on the 420m level. Drilling to follow the lodes down to the 480m and 500m levels is about to commence, whilst an exploration drilling program to test for extensions of the Sarvisuo lode system down to the 600m level has been planned.

Given success with the ongoing delineation and exploration drilling programs, the presence of new lode positions between the 420m and 525m levels will enable the company to give consideration to deepening the underground operation at Sarvisuo below the current limit of mining at the 420m level and thus extending the operational life of the Orivesi Gold Mine.

Table 1 – Significant gold intercepts (Cut-off 1 g/t Au) from the 400m, 420m and 440m levels

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
Sarvisuo – 400m Level							
KU-958	6838497.15	2508811.78	336.3	-24.0	13.90	0.40	14.80
KU-959	6838497.30	2508812.43	347.5	-20.1	58.35	1.55	5.65
					64.80	1.35	18.86
KU-960	6838497.39	2508812.65	354.9	-19.8	63.85	0.35	1.43
					122.10	0.90	1.51
					128.00	1.50	1.26
KU-961	6838497.50	2508813.44	5.0	-17.2	67.40	1.05	4.13
					69.40	1.90	4.25
					73.35	0.75	6.02
					85.15	2.25	24.43
					91.35	0.75	7.01
KU-962	6838497.03	2508834.68	359.0	-17.4	50.60	1.50	4.77
					80.70	5.55	4.56
KU-963	6838496.84	2508835.33	7.0	-19.1	50.60	1.40	4.14
					61.65	1.00	3.55
					110.00	1.55	1.04

Table 1 - Significant gold intercepts (Cut-off 1 g/t Au) from the 400m, 420m and 440m (continued)

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Au (g/t)
KU-964	6838492.96	2508878.41	344.0	-15.7	56.35	0.90	3.72
					63.80	0.70	2.48
					66.10	0.60	1.41
					70.00	2.20	12.96
					121.50	1.00	1.22
					124.90	0.40	2.28
KU-965	6838495.69	2508879.96	357.9	-10.8	61.30	1.00	1.10
KU-966	6838495.82	2508880.47	7.2	-14.1	54.70	1.40	1.16
					57.15	1.00	1.28
KU-967	6838495.76	2508881.26	17.3	-16.1	59.50	0.50	26.40
					60.50	0.50	11.25
					71.50	1.50	18.70
KU-968	6838495.60	2508881.68	25.2	-15.5	65.50	1.00	4.70
					75.00	0.60	6.43
KU-969	6838495.53	2508882.15	33.3	-14.9	61.00	1.70	1.38
					64.70	2.45	9.99
					80.70	0.95	27.00
					86.45	0.60	2.48
					88.20	0.75	2.25
					89.90	1.25	1.22
Sarvisuo – 420m Level							
KU-978	6838497.53	2508834.65	357.5	-1.2	49.75	1.00	3.39
					61.05	0.95	1.02
KU-979	6838497.30	2508835.46	4.1	-0.6	49.25	0.70	2.52
					84.55	1.00	14.6
					87.50	0.50	1.56
					89.00	1.40	3.37
					92.80	1.20	1.10
KU-980	6838497.15	2508836.00	13.0	5.3	143.30	1.70	2.12
					46.00	0.50	2.93
					49.05	0.75	2.26
					62.10	1.45	1.81
KU-987	6838491.52	2508878.23	341.6	-4.2	63.25	2.75	4.50
					67.10	7.95	6.98
					<i>including 5.05m @ 10.12 g/t gold from 70.00m</i>		
					97.60	0.95	2.41
					103.45	2.10	3.09
					112.45	1.15	1.20
KU-988	6838491.84	2508879.18	352.0	1.8	57.75	12.90	8.71
					<i>including 1.25m @ 18.20 g/t gold from 57.75m and 5.55m @ 14.68 g/t gold from 65.10m</i>		
KU-990	6838491.72	2508880.84	6.4	0.8	30.00	0.30	2.47
					53.00	1.00	6.09
					66.00	1.00	2.82
KU-991	6838491.89	2508881.94	16.6	0.5	68.50	4.50	24.71
					30.70	0.80	1.17
KU-993	6838490.41	2508883.19	31.8	2.4	62.90	1.20	1.80
					72.30	1.00	2.30
					87.40	0.60	1.94
					89.20	1.20	2.03
Sarvisuo – 440m Level							
KU-999	6838490.48	2508882.85	32.3	-15.8	75.30	1.70	1.93
					79.45	2.50	36.88
					84.65	0.70	1.59
					88.55	0.60	1.87

Note: On each level the order of the intercepts in the table is from the west to the east. On level 440m the intercept is from the easternmost drill hole. Analysis of full core was completed at the ALS Chemex laboratory in Perth, Australia using procedure Au 50g FA AA finish, following sample preparation at the Okun Autolahetti Oy facility in Finland.

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.